CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the second quarter of 1981

Recent developments in economic accounts for agriculture

The household sector

No 335
September 1981
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Release dates of economic statistics to be published in October 1981

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Publication date	Series	Method of release	Source
October 1981			
Fri 2	Capital issues and redemptions (during the month of September)	PN	Bank of England
	United Kingdom official reserves (September)	PN	HM Treasury
Mon 5	Hire purchase and other instalment credit business (August)	PN	D of Trade
	Retail sales (August – final)	PN	D of Trade
	Wholesale price index numbers (September – provisional)	PN	D of Industry
	Housing starts and completions (August)	PN	D of the Environment
Tues 6	Provisional figures of vehicle production (September)	PN	D of Industry
	London clearing banks monthly statement (mid-September)	PN	CLCB
	United Kingdom banks eligible liabilities, reserve ratios and special deposits (mid-September)	PN	Bank of England
Wed 7	Personal sector account and industrial and commercial companies appropriation account	PN	CSO
Fri 9	Building societies' monthly figures (September)	PN	BSA
	Central government transactions (including borrowing requirement) (September)	PN	HM Treasury
Tues 13	Index of industrial production (August – provisional)	PN	CSO
Wed 14	Index of industrial production for Wales (2nd quarter)	PN	Welsh Office
	Indices of average earnings (August)	PN	D of Employment
	Indices of basic rates of wages (September)	PN	D of Employment
Thurs 15	London dollar and sterling certificates of deposit (mid-September)	PN	Bank of England
	United Kingdom banks assets and liabilities and money stock (mid-September)	PN	Bank of England
Fri 16	Retail price index (September)	PN	D of Employment
	Tax and price index (September)	PN	CSO
	Cyclical indicators for the United Kingdom economy (September)	PN	CSO
	Usable steel production (September)	PN	BSC/BISPA
Sun 18	Department for National Savings' monthly progress report (September)	PN	D for National Savings
Mon 19	Industrial and commercial companies/capital account, and net borrowing requirement (2nd quarter)	PN	CSO
	Retail sales (September – provisional)	PN	D of Trade
Tues 20	Construction – new orders (August)	PN	D of the Environment
	Unemployment (October – provisional)	PN	D of Employment
	Unfilled vacancies (October – provisional)	PN	D of Employment
Thurs 22	Institutional investment (2nd quarter)	PN	CSO
	Consumers expenditure (3rd quarter – preliminary estimate)	PN	CSO
Fri 23	Sales and orders in the engineering industries (July)	BB	D of Industry
	New vehicle registrations (September)	PN	D of Transport
Mon 26	Bricks and cement production (3rd quarter)	PN	D of the Environment
Wed 28	CBI quarterly industrial survey trends (October)	PN	CBI
Thurs 29	Unemployment and unfilled vacancies (September – final)	*Gazette*	D of Employment
	Employment in the production industries (August)	*Gazette*	D of Employment
	Overtime and short-time working in manufacturing industries (August)	*Gazette*	D of Employment
	Stoppages of work due to industrial disputes (September)	*Gazette*	D of Employment
	Quarterly estimates of employees in employment (2nd quarter)	*Gazette*	D of Employment
	Energy Trends	PN	D of Energy
Fri 30	Car and commercial vehicle production (September – final)	BB	D of Industry

PN—*Press Notice*

CENTRAL STATISTICAL OFFICE

Economic Trends

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September 1981

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 18 September. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Symbols used:

..	not available or not meaningful
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 70
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 22 September 1981

Output

According to the index of industrial production, industrial production (other than oil and gas extraction) stabilised in recent months. Manufacturing production increased marginally but construction output continued to fall. Extraction of oil and gas was below the record level in the first quarter of the year.

The output measure of gross domestic product fell by about ¼ per cent in the second quarter. This was similar to the fall in the first quarter but much less than those in 1980. There was little change in the level of activity in the distributive trades but there was some fall in transport and communications and other services.

Official reserves and the exchange rate (not seasonally adjusted)

The UK official reserves fell by $57 million to $24,511 million at the end of August.

Up to 17 September the average sterling effective exchange rate for September was 2½ per cent less than the average for August as a whole.

Earnings and wage rates

The whole economy index of average earnings rose by 0·7 per cent in July to 205·3 (January 1976 = 100). The increase over July 1980 was 12·1 per cent. Basic weekly wages for manual workers (not seasonally adjusted) in August were 8·3 per cent higher than a year ago.

Prices (not seasonally adjusted)

The index of retail prices in August was 299·3 (January 1974 = 100), 0·7 per cent up on July and 11·5 per cent up on August 1980.

The tax and price index for August was 155·5 (January 1978 = 100), an increase of 14·9 per cent on August 1980.

The price index for materials and fuel purchased by manufacturing industry increased by 1¾ per cent between July and August. Over two-thirds of this increase could be accounted for by the higher sterling price for crude oil, caused by the depreciation of sterling against the dollar. The increase in the index over a 12-month period rose from 15½ per cent in July to 17¼ per cent in August.

The wholesale price index for home sales of manufactured products increased by ¾ per cent between July and August. Nearly half of the increase was caused by higher prices for petroleum products. The increase in the index over 12 months to August was 10 per cent, the first increase in the 12-monthly change since March 1980.

Consumers' expenditure

The volume of consumers' expenditure fell by about ¼ per cent between the first and second quarters of 1981, returning to a level of expenditure just above that of the fourth quarter of last year. Demand for durable goods remained steady, while sales of other goods, particularly alcohol and tobacco, fell. Consumption of fuel and light was nearly 7 per cent above its low first quarter level. Consumers' expenditure abroad increased significantly while foreign tourists' expenditure in the UK decreased proportionally more.

The provisional estimate of the volume of retail sales in August is 111·5 (1976 = 100). The increase in August and the rather uneven pattern of trade in recent months could be the effect of extended summer clearance sales and special promotions by retailers, which changed the normal seasonal pattern of retail spending. In the three months June to August sales were about the same as in the previous three months. However, this year's average level of trade to August was about 2 per cent higher than the average for the corresponding period of 1980.

Balance of payments

There was a surplus of £0·4 billion on invisibles in the second quarter. This followed the exceptionally large surplus of £1·3 billion in the first quarter, associated with the bulk of the refunds from the European Community negotiated in May 1980. There was an identified net outflow on investment and other capital transactions of £1·9 billion following a net outflow of £3·4 billion in the first quarter. Figures for visible trade since February have been delayed by the civil servants' dispute.

Capital expenditure

The volume of fixed investment rose by 2 per cent in the second quarter, but investment in the first half of 1981 was less than in the second half of 1980. The rise in the second quarter resulted mainly from an increase in investment in plant and machinery and vehicles.

Stockbuilding

Destocking continued in the second quarter, £809 million at 1975 prices, although it was at a slightly lower level than in the first quarter, £856 million.

Companies

Company profits rose by 6 per cent in the second quarter, with increases for industrial and commercial companies both inside and outside the North Sea oil sector. After deducting stock appreciation profits of all industrial and commercial companies rose by 7 per cent.

Unemployment and vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 46,100 in September to 2,672,500.

Vacancies notified to employment offices fell by 1,500 in September to 96,900.

Financial aggregates

During banking August (five weeks to 19 August) sterling M_3 increased by £770 million or 1·1 per cent. The monetary aggregates were considerably distorted by the civil servants' dispute, which continued to the end of July, and by its aftermath. In net terms the central government borrowing requirement (CGBR) was estimated to have been reduced by approximately £600 million over the month, but there were much larger gross movements. Additionally both deposits and lending may have been temporarily inflated by arbitrage. In these circumstances it has become considerably more difficult than in previous months to estimate the underlying trend. M_1 fell sharply by £780 million or 2·4 per cent after a large and partly erratic rise of 3·2 per cent in July; in part the fall would have reflected the clearing of cheques held up by the dispute. Domestic credit expanded by £1,160 million. The CGBR was £270 million. PSL 1 rose by 1·2 per cent and PSL 2 by 1·0 per cent.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Economic events

August

14 The Organisation of Economic Co-operation and Development published its annual survey of the United Kingdom.

20 New arrangements for monetary control were introduced to allow the market a greater role in determining short-term interest rates. The Bank of England will no longer announce a Minimum Lending Rate at which it will lend to the markets.

27 The government scheme to subsidise employment of school leavers is to be extended. Employers will be able to claim £7·50 a week for each employee under the age of 18 earning between £40 and £45 a week.

September

3 The Government is to withhold £290–£300 million in block grants from local authorities which fail to meet revised budget targets. New legislation will be introduced this autumn to tighten financial controls over local government.

11 Having completed its examination of the integrated gas gathering pipeline scheme the Government announced that companies should continue to make their own arrangements for bringing the gas ashore.

Britain and France are to start talks within a month on the feasibility of building a Channel Tunnel.

13 The International Monetary Fund published its annual report.

14 The clearing banks raised their base lending rates from 12 to 14 per cent following action taken by the Bank of England to promote a rise in short-term interest rates on the London money markets. The Bank's action was taken primarily in response to the continued weakness of the pound in the foreign exchange markets and because of the rapid expansion of bank lending and the obscurity surrounding the money figures as a result of the civil service strike.

15 In preparing for decisions on cash totals for public expenditure programmes in 1982–83, the Government has announced an increase of 4 per cent from due settlement dates in the coming year for earnings, and an increase of 9 per cent between this financial year (1981–82) and the next (1982–83) for other costs.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted					Seasonally adjusted	
	1976 = 100	1975 = 100	Thousands		Jan. 1976 = 100	1975 = 100	Jan. 1974 = 100	Jan. 1978 = 100	1975 = 100	$ billion	£ million	
	Volume of retail sales (GB)[2, 3] §	Index of Industrial production[4] §	Unemployment[5, 6, 8] §	Vacancies[7, 8] §	Average earnings (whole economy: GB)[15]	Wholesale price of materials and fuel[9]	Retail price index (all items)	Tax and price index[10]	Sterling effective exchange rate	U.K. official reserves[11]	Balance of payments: Current balance[12]	Money stock sterling M_3
1980 J	110·2	111·7	1,334·0	207·5	164·6[13]	193·5	245·3	123·2	91·8	23·4	+165	56,280
F	111·0	109·5	1,376·8	193·4	169·0[13]	197·6	248·8	125·3	93·7	23·7	−123	56,400
M	109·7	108·6	1,411·0	182·8	172·8[13]	200·4	252·2	127·2	93·5	27·0	+ 44	56,960
A	109·6	106·8	1,456·2	170·2	175·1	202·3	260·8	130·8	94·3	28·0	−228	57,520
M	108·4	106·5	1,495·3	162·2	176·7	200·4	263·2	132·2	94·7	28·3	+ 56	58,600
J	109·5	106·7	1,541·7	145·3	182·1	201·1	265·7	133·6	94·5	28·2	+ 66	59,210
J	108·5	105·6	1,609·2	127·9	183·1	201·7	267·9	134·9	95·6	28·3	+391	62,310
A	109·6	102·9	1,696·8	120·5	187·3	201·8	268·5	135·3	96·8	28·3	+ 61	63,600
S	108·5	101·6	1,791·1	111·1	194·0	202·1	270·2	136·3	97·6	27·6	+434	63,800
O	109·7	101·1	1,892·9	100·0	190·7	201·4	271·9	137·3	99·2	28·0	+715	65,460
N	109·2	100·6	2,030·0	96·2	192·6	203·4	274·1	138·5	101·1	28·2	+619	66,260†
D	108·4	100·0	2,136·6	98·8	196·6	205·1	275·6	139·4	100·2	27·5	+563	66,900
1981 J	114·0	99·0	2,228·3	103·6	195·3	209·7	277·3	140·4	102·0	28·4	+1,059	67,310
F	112·9	99·9	2,304·1	98·2	196·9	214·0	279·8	141·9	102·5	28·4	+631	67,540
M	111·4	99·8†	2,380·8	96·9	197·9	217·8	284·0	144·3	99·7	28·2	..	68,010
A	111·4	98·9	2,452·3	94·3	199·5	221·3	292·2	151·3	99·2	28·1	..	69,520
M	110·6	98·2	2,514·6	91·7	200·0	226·1	294·1	152·4	98·8	26·5	..	70,580
J	111·7	99·7	2,552·3	82·5	203·9†	229·9	295·8	153·5	95·4	25·6	..	70,680
J	109·7†	99·5	2,582·3	91·7	205·3[14]	233·1[14]†	297·1	154·2	92·5	24·6	..	72,150
A	111·5[14]		2,626·4	98·4		236·9[14]	299·3	155·5	91·2	24·5	..	72,850
S			2,672·5	96·9							..	
	Percentage change, latest three months on previous three months											
1981 J	+ 1·1	− 2·0	+18·8	−10·0	+2·2	+ 2·1	+ 2·0	..	+ 3·3	..	..	+ 3·9
F	+ 2·2	− 1·5	+16·7	− 2·1	+2·0	+ 3·6	+ 2·0	..	+ 2·3	..	..	+ 3·2
M	+ 3·4	− 1·0	+14·1	+ 1·3	+1·7	+ 5·2	+ 2·4	..	+ 1·2	..	..	+ 2·1
A	+ 1·4	− 0·3	+11·6	− 3·1	+1·7	+ 5·6	+ 3·5	..	− 0·6	..	..	+ 2·3
M	− 0·3	− 0·7†	+10·2	− 5·9	+1·5	+ 5·8	+ 4·5	..	− 2·4	..	..	+ 3·2†
J	− 1·2	− 0·6	+ 8·8	−10·1	+2·3†	+ 5·6	+ 4·9	..	− 3·6	..	..	+ 3·9
J	− 1·1†	− 0·4	+ 7·2	− 8·1	+2·5[14]	+ 5·5[14]	+ 3·6	..	− 4·9	..	..	+ 4·1
A	− 0·2[14]		+ 5·6	− 3·6		+ 5·2[14]	+ 2·5	..	− 6·3	..	..	+ 3·6
S			+ 4·8	+ 3·1				..		..	..	
	Percentage change, latest three months on corresponding period of previous year											
1981 J	+ 0·6	−11·2	+63·2	−54·8	+19·0	+ 9·0	+14·5	+15·6	+12·6	..	..	+19·9
F	+ 1·5	−10·4	+66·2	−51·5	+18·2	+ 8·7	+13·5	+14·5	+10·8	..	..	+20·1
M	+ 2·3	− 7·2†	+67·7	−48·8	+16·5	+ 8·5	+12·7	+13·5	+ 9·0	..	..	+19·6
A	+ 1·6	− 8·1	+68·2	−47·0	+15·0	+ 8·8	+12·4	+14·1	+ 7·1	..	..	+20·0
M	+ 1·7	− 7·8	+68·4	−45·1	+13·9	+10·3	+12·1	+14·8	+ 5·3	..	..	+20·2
J	+ 1·9	− 7·3	+67·3	−43·8	+13·0[14]	+12·3†	+11·7	+15·3	+ 3·5	..	..	+20·2
J	+ 1·7†	− 6·7	+64·6	−38·9	+12·4[14]	+14·2[14]	+11·3	+14·8	+ 1·2	..	..	+18·5
A	+ 1·6[14]		+60·1	−30·8		+15·8[14]	+11·2	+14·7	− 2·7	..	..	+16·5
S			+54·6	−20·2						..	..	

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1980 is exceptionally a five-week period. The series from 1976 onwards has been constrained to agree with the annual retailing inquiries. *See British business,* 5 December 1980.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette,* November 1979.
[7] Vacancies notified to employment offices.
[8] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette.*
[9] Purchased by manufacturing industry.
[10] Described in an article in *Economic Trends* No. 310, August 1979.
[11] See footnote [2] on page 50.
[12] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.
[13] See footnote [3] on page 40.
[14] Provisional.
[15] The seasonal adjustment factors have been recalculated on the basis of data up to December 1980 and previous figures have been amended accordingly.

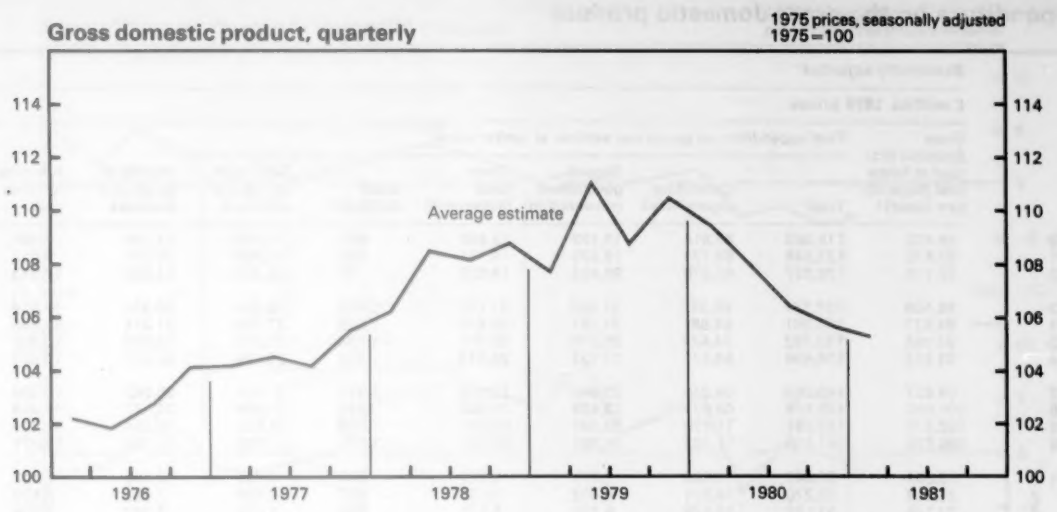
Tables and charts

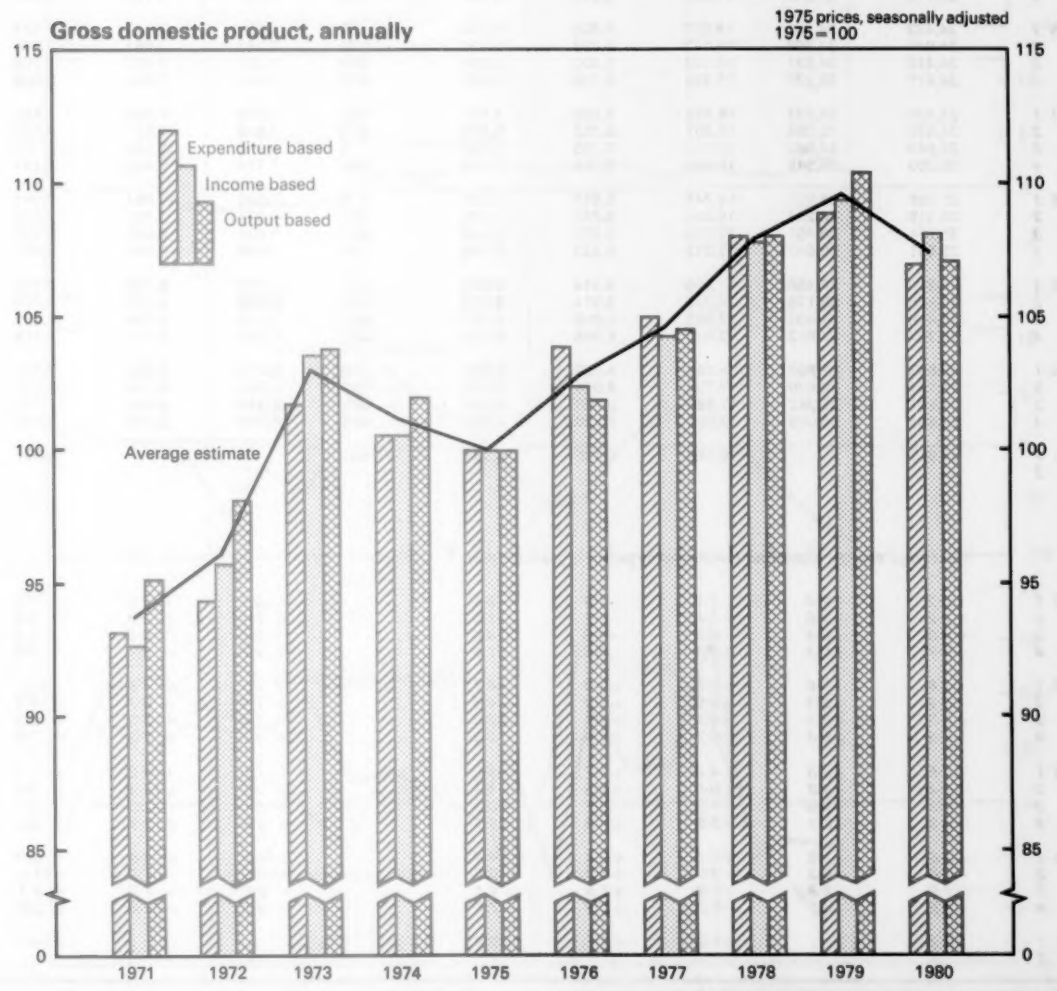
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied index of total home costs	National disposable income at 1975 market prices
	At current prices				At 1975 factor cost						
	£ million		1975 = 100		£ million	1975 = 100				1975 = 100	1975 = 100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data§	income data[2]§	output data§	Average estimate§	expenditure data	Average estimate
1970	43,530	44,051	46·3	47·0	85,402	90·9	92·2	93·8	92·3	51·0	96·0
1971	49,442	49,027	52·6	52·3	87,572	93·2	92·7	95·2	93·7	56·5	97·9
1972	55,289	55,898	58·8	59·7	88,719	94·4	95·7	98·1	96·1	62·3	101·0
1973	64,258	65,302	68·4	69·7	95,506	101·7	103·6	103·8	103·0	67·3	106·0
1974	74,413	74,206	79·2	79·2	94,527	100·6	100·6	102·0	101·1	78·7	100·3
1975	93,954	93,692	100·0	100·0	93,954	100·0	100·0	100·0	100·0	100·0	100·0
1976	111,221	109,350	118·4	116·7	97,610	103·9	102·4	101·9	102·7	113·9	102·5
1977	126,072	124,967	134·2	133·4	98,627	105·0	104·3	104·5	104·6	127·8	103·5
1978	144,317	143,633	153·6	153·3	101,500	108·0	107·8	108·0	107·9	142·2	108·8
1979	164,396	164,732	175·0	175·8	102,271	108·9	109·4	110·4	109·6	160·7	111·9
1980	191,035	192,296	203·3	205·2	100,570	107·0	108·1	107·1	107·4	190·0	111·5
1976 *1*	26,654	25,914	113·5	110·6	24,483	104·2	101·6	100·7	102·2	108·9	102·1
2	26,987	26,764	114·9	114·3	24,040	102·3	101·8	101·5	101·9	112·3	
3	28,205	27,748	120·1	118·5	24,416	103·9	102·6	101·7	102·7	115·5	103·1
4	29,375	28,924	125·1	123·5	24,671	105·0	103·7	103·6	104·1	119·1	
1977 *1*	30,069	30,052	128·0	128·3	24,424	104·0	104·2	104·5	104·2	123·1	102·6
2	30,896	30,958	131·5	132·2	24,570	104·6	105·1	103·9	104·5	125·7	
3	31,987	31,642	136·2	135·1	24,543	104·5	103·6	104·5	104·2	130·3	104·4
4	33,120	32,315	141·0	138·0	25,090	106·8	104·5	105·1	105·5	132·0	
1978 *1*	34,497	33,991	146·9	145·1	25,096	106·8	105·6	106·3	106·2	137·5	107·9
2	35,759	35,717	152·2	152·5	25,519	108·6	108·8	108·2	108·5	140·1	
3	36,717	36,582	156·3	156·2	25,354	107·9	107·9	108·8	108·2	144·8	109·8
4	37,344	37,343	159·0	159·4	25,531	108·7	109·0	108·7	108·8	146·3	
1979 *1*	38,049	38,092	162·0	162·6	25,210	107·3	107·8	108·3	107·8	150·9	111·7
2	40,656	40,705	173·1	173·8	25,886	110·2	110·7	112·2	111·0	157·1	
3	41,987	41,829	178·8	178·6	25,418	108·2	108·1	110·2	108·8	165·2	112·2
4	43,704	44,106	186·1	188·3	25,757	109·7	111·0	110·8	110·5	169·7	
1980 *1*	45,422	45,628	193·4	194·8	25,603	109·0	109·8	109·8	109·5	177·4	111·8
2	47,094	47,673	200·5	203·5	25,159	107·1	108·7	108·1	108·0	187·2	
3	48,921	49,076	208·3	209·5	24,940	106·2	106·8	106·2	106·4	196·2	111·3
4	49,598	49,919	211·2	213·1	24,868	105·9	106·9	104·4	105·7	199·4	
1981 *1*[3]	50,730	50,513	216·0	215·7	24,911	106·1	105·9	103·8	105·3	203·6	
2											
	Percentage change, period on corresponding period of previous year										
1978 *1*	*+14·7*	*+13·1*	*+14·7*	*+13·1*	*+2·8*	*+2·8*	*+1·3*	*+1·7*	*+1·9*	*+11·7*	*+5·2*
2	*+15·7*	*+15·4*	*+15·7*	*+15·4*	*+3·9*	*+3·9*	*+3·5*	*+4·1*	*+3·8*	*+11·5*	
3	*+14·8*	*+15·6*	*+14·8*	*+15·6*	*+3·3*	*+3·3*	*+4·2*	*+4·1*	*+3·8*	*+11·1*	*+5·2*
4	*+12·8*	*+15·6*	*+12·8*	*+15·6*	*+1·8*	*+1·8*	*+4·3*	*+3·4*	*+3·1*	*+10·8*	
1979 *1*	*+10·3*	*+12·1*	*+10·3*	*+12·1*	*+0·5*	*+0·5*	*+2·1*	*+2·0*	*+1·5*	*+ 9·7*	*+3·5*
2	*+13·7*	*+14·0*	*+13·7*	*+14·0*	*+1·4*	*+1·4*	*+1·7*	*+3·8*	*+2·3*	*+12·1*	
3	*+14·4*	*+14·3*	*+14·4*	*+14·3*	*+0·3*	*+0·3*	*+0·2*	*+1·3*	*+0·6*	*+14·1*	*+2·2*
4	*+17·0*	*+18·1*	*+17·0*	*+18·1*	*+0·9*	*+0·9*	*+1·8*	*+1·9*	*+1·6*	*+16·0*	
1980 *1*	*+19·4*	*+19·8*	*+19·4*	*+19·8*	*+1·6*	*+1·6*	*+1·9*	*+1·4*	*+1·6*	*+17·6*	*+0·1*
2	*+15·8*	*+17·1*	*+15·8*	*+17·1*	*−2·8*	*−2·8*	*−1·8*	*−3·7*	*−2·7*	*+19·2*	
3	*+16·5*	*+17·3*	*+16·5*	*+17·3*	*−1·9*	*−1·9*	*−1·2*	*−3·6*	*−2·2*	*+18·8*	*−0·8*
4	*+13·5*	*+13·2*	*+13·5*	*+13·2*	*−3·5*	*−3·5*	*−3·7*	*−5·7*	*−4·3*	*+17·5*	
1981 *1*	*+11·7*	*+10·7*	*+11·7*	*+10·7*	*−2·7*	*−2·7*	*−3·6*	*−5·4*	*−3·8*	*+14·8*	
2											

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the implied index of total home costs.
[3] Owing to the Civil Service dispute, visible trade figures for March are not available. To enable estimates to be compiled of the gross domestic product in the first quarter of 1981, the net visible trade balance in the three months ending February 1981 has been included as the 'goods' element of net exports of goods and services.


Gross domestic product, quarterly
1975 prices, seasonally adjusted
1975=100
Average estimate
114
112
110
108
106
104
102
100
1976
1977
1978
1979
1980
1981


Gross domestic product, annually
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
115
110
105
100
95
90
85
0
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

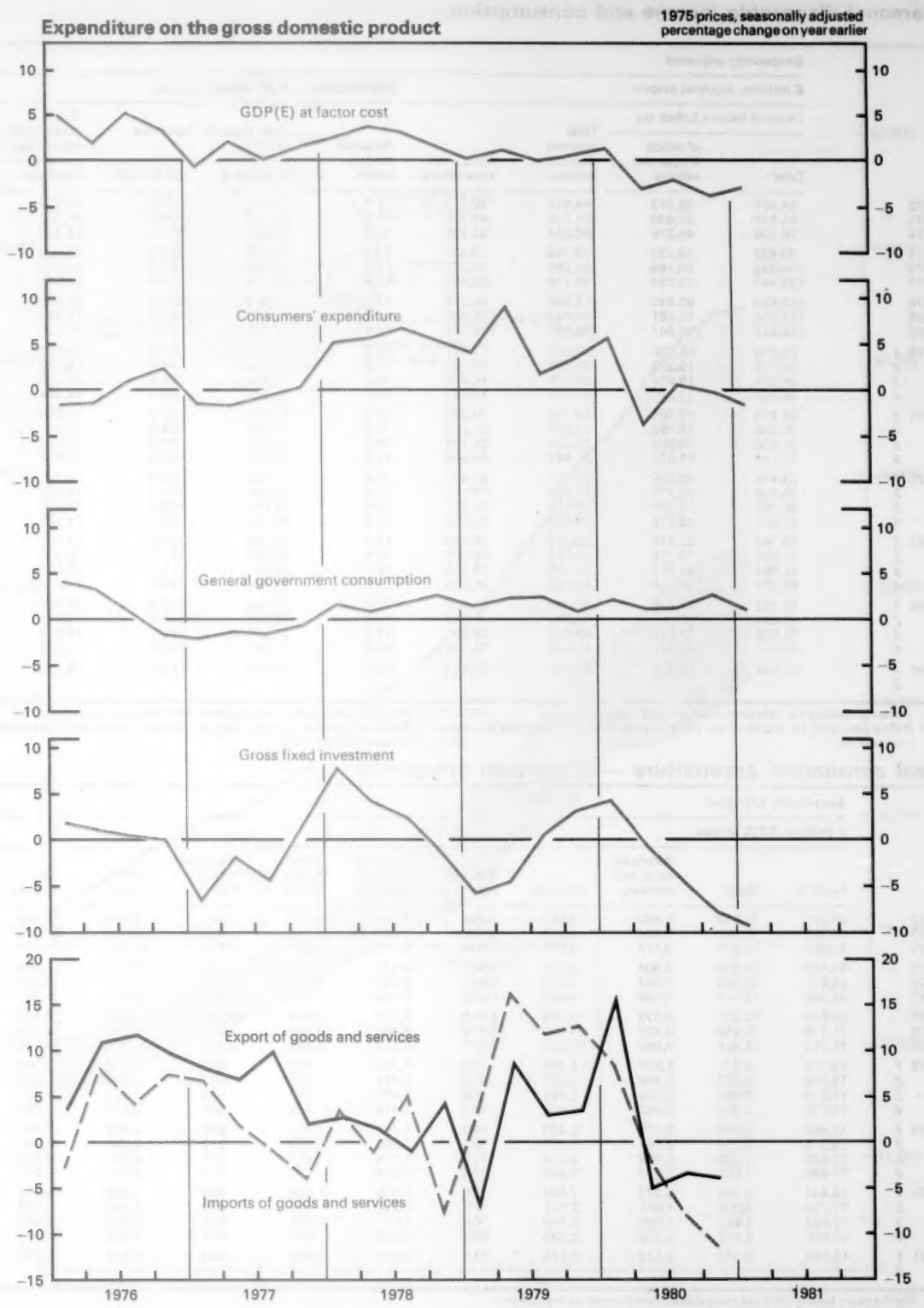
	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							Adjustment to factor cost
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	
1970	85,402	118,585	57,814	19,103	19,460	802	21,492	23,938	9,167
1971	87,572	122,346	59,724	19,673	19,743	278	22,966	25,187	9,514
1972	88,719	126,827	63,270	20,484	19,823	− 19	23,221	27,694	10,243
1973	95,506	137,337	66,332	21,453	21,195	2,483	25,874	30,913	10,918
1974	94,527	136,381	64,881	21,761	20,616	1,428	27,695	31,216	10,638
1975	93,954	133,392	64,424	23,074	20,417	−1,534	27,011	28,979	10,459
1976	97,610	138,634	64,642	23,221	20,673	654	29,444	30,201	10,823
1977	98,627	140,055	64,240	22,949	20,145	1,310	31,411	30,562	10,866
1978	101,500	145,166	68,074	23,425	20,853	825	31,989	31,747	11,919
1979	102,271	149,951	71,270	23,901	20,541	1,578	32,661	35,284	12,396
1980	100,570	147,165	71,762	24,381	20,123	−1,921	32,820	34,124	12,471
1975 *1*	23,394	33,442	16,285	5,773	5,112	− 584	6,856	7,405	2,643
2	23,609	33,270	16,301	5,692	5,086	− 407	6,598	7,028	2,633
3	23,175	33,132	15,970	5,735	5,178	− 354	6,603	7,363	2,594
4	23,776	33,548	15,868	5,874	5,041	− 189	6,954	7,183	2,589
1976 *1*	24,483	34,201	16,083	5,805	5,232	− 20	7,101	7,101	2,617
2	24,040	34,386	16,122	5,829	5,164	− 71	7,342	7,661	2,685
3	24,416	34,821	16,153	5,802	5,215	270	7,381	7,697	2,708
4	24,671	35,226	16,284	5,785	5,062	475	7,620	7,742	2,813
1977 *1*	24,424	34,684	15,898	5,698	4,901	509	7,678	7,598	2,662
2	24,570	35,064	15,901	5,762	5,079	476	7,846	7,846	2,648
3	24,543	34,962	16,102	5,735	5,009	3	8,113	7,660	2,759
4	25,090	35,345	16,339	5,754	5,156	322	7,774	7,458	2,797
1978 *1*	25,096	35,921	16,748	5,814	5,299	176	7,884	7,884	2,941
2	25,519	36,247	16,844	5,831	5,298	303	7,971	7,792	2,936
3	25,354	36,451	17,210	5,857	5,148	202	8,034	8,065	3,032
4	25,531	36,547	17,272	5,923	5,108	144	8,100	8,006	3,010
1979 *1*	25,210	36,458	17,456	5,914	5,005	751	7,332	8,138	3,110
2	25,886	38,178	18,375	5,974	5,058	103	8,668	9,073	3,219
3	25,418	37,403	17,543	6,018	5,191	377	8,274	9,036	2,949
4	25,757	37,912	17,896	5,995	5,287	347	8,387	9,037	3,118
1980 *1*	25,603	37,850	18,444	6,052	5,227	− 348	8,475	8,858	3,389
2	25,159	36,920	17,734	6,051	5,032	− 137	8,240	8,916	2,845
3	24,940	36,342	17,683	6,108	4,980	− 448	8,019	8,344	3,058
4	24,868	36,053	17,901	6,170	4,884	− 988	8,088	8,006	3,179
1981 *1*	24,911[2]	..	18,146	6,120	4,747	− 951	(+100)[2]		3,251
2									

Percentage change, quarter on corresponding period of previous year

1977 *1*	−0·2	+1·4	−1·2	−1·8	−6·3	..	+ 8·1	+ 7·0	+ 1·7
2	+2·2	+2·0	−1·4	−1·1	−1·6	..	+ 6·9	+ 2·4	− 1·4
3	+0·5	+0·4	−0·3	−1·2	−4·0	..	+ 9·9	− 0·5	+ 1·9
4	+1·7	+0·3	+0·3	−0·5	+1·9	..	+ 2·0	− 3·7	− 0·6
1978 *1*	+2·8	+3·6	+5·3	+2·0	+8·1	..	+ 2·7	+ 3·8	+10·5
2	+3·9	+3·4	+5·9	+1·2	+4·3	..	+ 1·6	− 0·7	+10·9
3	+3·3	+4·3	+6·9	+2·1	+2·8	..	− 1·0	+ 5·3	+ 9·9
4	+1·8	+3·4	+5·7	+2·9	−0·9	..	+ 4·2	+ 7·3	+ 7·6
1979 *1*	+0·5	+1·5	+4·2	+1·7	−5·5	..	− 7·0	+ 3·2	+ 5·7
2	+1·4	+5·3	+9·1	+2·5	−4·5	..	+ 8·7	+16·4	+ 9·6
3	+0·3	+2·6	+1·9	+2·7	+0·8	..	+ 3·0	+12·0	− 2·7
4	+0·9	+3·7	+3·6	+1·2	+3·5	..	+ 3·5	+12·9	+ 3·6
1980 *1*	+1·6	+3·8	+5·7	+2·3	+4·4	..	+15·6	+ 8·8	+ 9·0
2	−2·8	−3·3	−3·5	+1·3	−0·5	..	− 4·9	− 1·7	−11·6
3	−1·9	−2·8	+0·8	+1·5	−4·1	..	− 3·1	− 7·7	+ 3·7
4	−3·5	−4·9	−0·0	+2·9	−7·6	..	− 3·6	−11·4	+ 2·0
1981 *1*	+2·7	..	−1·6	+1·1	−9·2	..	..	..	− 4·1
2						..			

[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.

[2] See footnote [3] on page 6.


Expenditure on the gross domestic product
1975 prices, seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Export of goods and services
Imports of goods and services
10
5
0
−5
−10
20
15
−15
1976
1977
1978
1979
1980
1981

Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1972	54,501	33,312	44,507	40,183	9·7	70,078	95·0	63,270
1973	63,539	38,430	51,798	45,759	11·7	75,086	101·8	66,332
1974	76,209	46,278	60,694	52,489	13·5	75,023	101·7	64,881
1975	95,827	58,932	73,768	64,424	12·7	73,768	100·0	64,424
1976	110,698	66,166	84,799	74,751	11·9	73,331	99·4	64,642
1977	123,512	73,264	95,798	85,474	10·8	71,999	97·6	64,240
1978	142,536	83,882	112,746	98,376	12·7	78,018	105·8	68,074
1979	167,954	97,661	134,643	115,698	14·1	82,940	112·4	71,270
1980	198,847	115,047	158,587	134,594	15·1	84,554	114·6	71,762
1976 *1*	26,415	15,790	20,234	17,737	12·3	18,342	99·5	16,083
2	27,128	16,320	20,586	18,253	11·3	18,178	98·6	16,122
3	28,201	16,854	21,848	18,878	13·6	18,690	101·3	16,153
4	28,954	17,202	22,131	19,883	10·2	18,121	98·3	16,284
1977 *1*	29,818	17,706	22,765	20,295	10·9	17,835	96·7	15,898
2	30,288	18,032	23,225	21,003	9·6	17,585	95·4	15,901
3	31,236	18,504	24,401	21,777	10·8	18,044	97·8	16,102
4	32,170	19,022	25,407	22,399	11·8	18,535	100·5	16,339
1978 *1*	33,408	19,755	25,973	23,536	9·4	18,490	100·3	16,748
2	35,339	20,723	27,725	24,124	13·0	19,366	105·0	16,844
3	36,282	21,386	29,115	25,087	13·8	19,981	108·3	17,210
4	37,507	22,018	29,933	25,629	14·4	20,181	109·4	17,272
1979 *1*	38,766	22,816	30,892	26,663	13·7	20,243	109·8	17,456
2	40,800	23,734	32,361	28,883	10·7	20,606	111·7	18,375
3	42,864	24,957	34,398	29,319	14·8	20,601	111·7	17,543
4	45,524	26,154	36,992	30,833	16·7	21,490	116·5	17,896
1980 *1*	46,788	27,108	37,536	33,009	12·1	20,986	113·8	18,444
2	49,094	28,402	39,034	33,095	15·2	20,929	113·5	17,734
3	50,928	29,616	40,609	33,688	17·0	21,328	115·7	17,683
4	52,037	29,921	41,408	34,802	16·0	21,311	115·6	17,901
1981 *1*	52,394	29,939	41,744	36,043	13·7	21,016	114·0	18,146
2								

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1975 =100).

Real consumers' expenditure — component categories

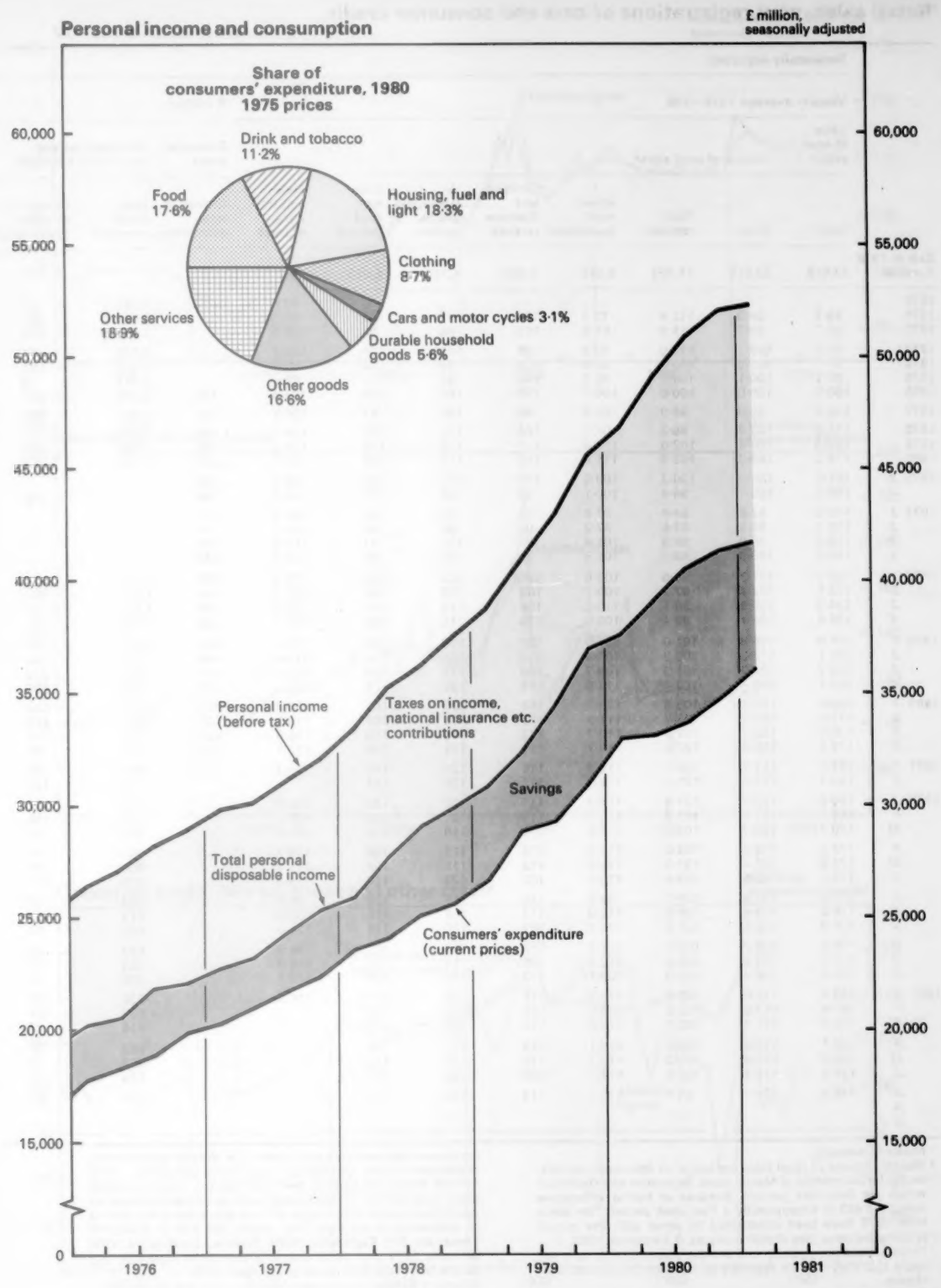
Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1972	63,270	11,988	6,960	8,917	2,854	4,964	2,986	2,811	9,956	11,964
1973	66,332	12,181	7,694	9,181	2,930	5,183	3,396	2,668	10,760	12,339
1974	64,881	12,071	7,777	9,081	2,984	5,109	3,269	1,820	10,840	11,930
1975	64,424	12,036	7,604	9,221	2,914	5,166	3,232	1,810	10,635	11,806
1976	64,642	12,168	7,664	9,240	2,887	5,193	3,414	2,010	10,690	11,376
1977	64,240	12,011	7,460	9,402	2,962	5,234	3,203	1,856	10,771	11,341
1978	68,074	12,282	8,070	9,709	3,014	5,726	3,524	2,372	11,338	12,039
1979	71,270	12,546	8,327	10,062	3,179	6,086	4,004	2,551	11,717	12,798
1980	71,762	12,681	8,055	10,052	3,077	6,218	3,982	2,217	11,918	13,562
1978 *1*	16,748	3,073	1,997	2,401	735	1,366	848	570	2,772	2,986
2	16,844	3,037	1,999	2,386	758	1,416	881	567	2,814	2,986
3	17,210	3,092	2,032	2,447	769	1,470	893	628	2,879	3,000
4	17,272	3,080	2,042	2,475	752	1,474	902	607	2,873	3,067
1979 *1*	17,456	3,075	2,078	2,493	840	1,451	933	596	2,893	3,097
2	18,375	3,157	2,167	2,507	793	1,580	1,165	811	2,989	3,206
3	17,543	3,159	2,009	2,519	778	1,479	916	529	2,901	3,253
4	17,896	3,155	2,073	2,543	768	1,576	990	615	2,934	3,242
1980 *1*	18,444	3,200	2,273	2,544	779	1,608	1,025	654	3,008	3,353
2	17,734	3,218	1,881	2,511	725	1,554	990	530	2,942	3,383
3	17,683	3,121	1,885	2,497	765	1,517	972	533	2,970	3,423
4	17,901	3,142	2,016	2,500	808	1,539	995	500	2,998	3,403
1981 *1*	18,146	3,170	2,132	2,519	714	1,593	1,045	524	3,072	3,377
2										

[1] For the years before 1973 the total differs from the sum of the components because of the method of rebasing to 1975 prices.

Personal income and consumption



Retail sales, new registrations of cars and consumer credit

	Seasonally adjusted										
	Weekly average 1976 = 100							Thousands[1]	£ million		
	Value of retail sales[2]	Volume of retail sales[2]							Consumer credit	Hire purchase and other credit business[4]	
	Total[3]	Total[3]	Food retailers[3]	Mixed retail businesses[3]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5]	Change in total outstanding	New credit extended	Change in amounts outstanding[5]
Sale in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,073				
1970	..	..	..	..	..	..	..	91·4	..	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	..	2,036	+ 251
1972	55·7	98·7	115·6	81·5	105	89	96	138·6	..	2,466	+ 438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	..	2,846	+ 444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	..	2,508	− 164
1975	87·1	100·1	104·2	95·7	101	97	101	98·0	..	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	105·4	483	3,586	+ 343
1977	114·2	98·3	98·0	99·6	95	101	97	108·3	743	4,392	+ 625
1978	131·0	103·8	98·3	107·1	106	111	103	129·2	1,429	6,010	+1,491
1979	153·2	108·6	102·0	110·8	111	122	106	138·9	1,798	7,346	+1,780
1980	174·3	109·3	102·8	111·6	112	119	109	120·6	1,559	7,736	+1,092
1976 *3*	101·1	100·3	100·2	100·5	100	101	100	99·1	105	..	..
4	106·3	100·1	98·4	100·1	99	104	100	117·7	184	..	..
1977 *1*	108·5	97·5	97·4	97·8	94	99	98	101·6	146	..	..
2	110·7	96·5	97·6	97·2	90	99	95	101·5	138	..	..
3	116·6	99·0	98·3	101·4	95	101	97	115·3	195	..	..
4	120·9	100·3	98·7	101·9	99	103	99	115·0	264	..	..
1978 *1*	123·7	101·3	98·5	103·5	101	105	100	126·6	387	1,418	+ 446
2	128·1	102·4	97·2	105·7	103	109	102	127·2	314	1,501	+ 382
3	134·3	105·5	98·1	110·2	109	114	103	135·5	364	1,532	+ 329
4	138·0	106·1	99·4	109·0	110	115	106	127·6	364	1,559	+ 334
1979 *1*	141·0	105·8	101·0	107·0	108	116	103	131·3	414	1,635	+ 369
2	154·1	113·0	103·3	105·4	114	134	110	172·9	496	1,877	+ 483
3	154·7	106·6	101·3	108·7	108	116	104	111·1	447	1,875	+ 472
4	163·1	109·1	102·4	112·0	115	120	105	140·3	441	1,959	+ 456
1980 *1*	168·9	110·2	103·2	113·7	115	120	108	139·3	401	2,049	+ 536
2	173·5	109·2	103·7	111·0	111	118	109	114·2	428	1,964	+ 270
3	176·0	108·9	101·5	110·7	112	119	110	116·6	462	1,933	+ 222
4	179·2	109·0	102·6	110·7	111	119	109	112·1	368	1,793	+ 65
1981 *1*	187·6	112·7	103·2	116·5	115	124	115	115·3	609	1,884	+ 205
2	190·4	111·3	101·6	114·6	111	125	114			1,936	+ 123
1980 *J*	166·5	110·2	101·8	114·9	117	120	107	129·6	..	694	+ 149
F	169·7	111·0	103·9	113·7	116	121	110	133·2	..	694	+ 198
M	170·7	109·7	104·2	112·5	113	118	108	155·2	..	661	+ 189
A	172·3	109·6	104·0	112·3	114	117	108	109·7	..	682	+ 106
M	172·6	108·4	103·9	110·0	112	115	108	113·1	..	607	+ 58
J	175·1	109·5	103·4	110·8	107	123	110	119·9	..	675	+ 106
J	175·0	108·5	101·1	109·5	114	119	109	85·0	..	663	+ 106
A	176·8	109·6	101·8	112·0	117	118	110	133·6	..	613	+ 54
S	176·3	108·5	101·6	110·5	107	120	111	131·2	..	657	+ 62
O	179·0	109·7	103·1	111·3	113	119	111	108·5	..	629	+ 75
N	179·2	109·2	102·5	112·2	108	119	111	115·7	..	559	− 44
D	179·4	108·4	102·3	109·1	113	120	107	112·1	..	605	+ 34
1981 *J*	188·4	114·0	102·6	119·9	116	126	117	116·2	..	620	+ 80
F	187·8	112·9	102·9	116·6	115	125	116	111·9	..	638	+ 101
M	186·9	111·4	103·9	113·6	114	123	112	117·8	..	626	+ 24
A	189·1	111·4	102·0	117·1	114	117	116		..	655	+ 37
M	189·8	110·6	101·3	112·7	110	126	113		..	607	+ 11
J	191·8	111·7	101·4	114·2	109	130	114		..	674	+ 75
J	189·5	109·7	99·0	113·4	112	123	113		..	658	+ 62
A									..		
S									..		

[1] Monthly averages.

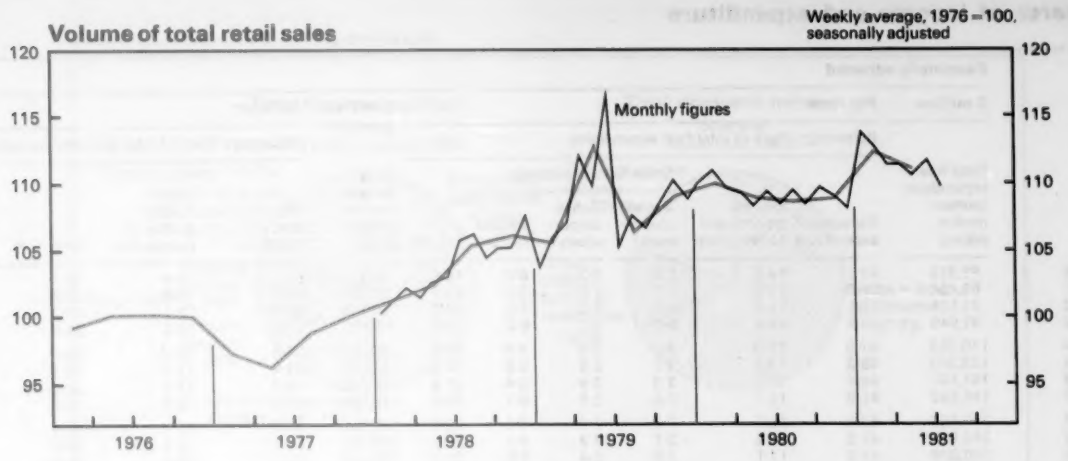
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The series from 1976 have been constrained to agree with the annual retailing inquiries. See *British business*, 5 December 1980.

[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

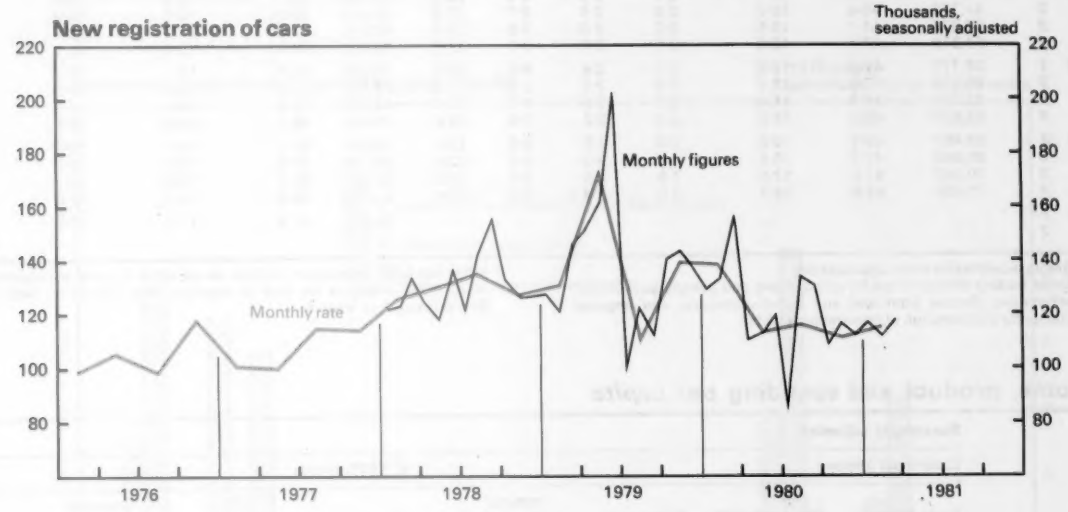
[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

[5] Including further interest payments due over the whole period of the loans.

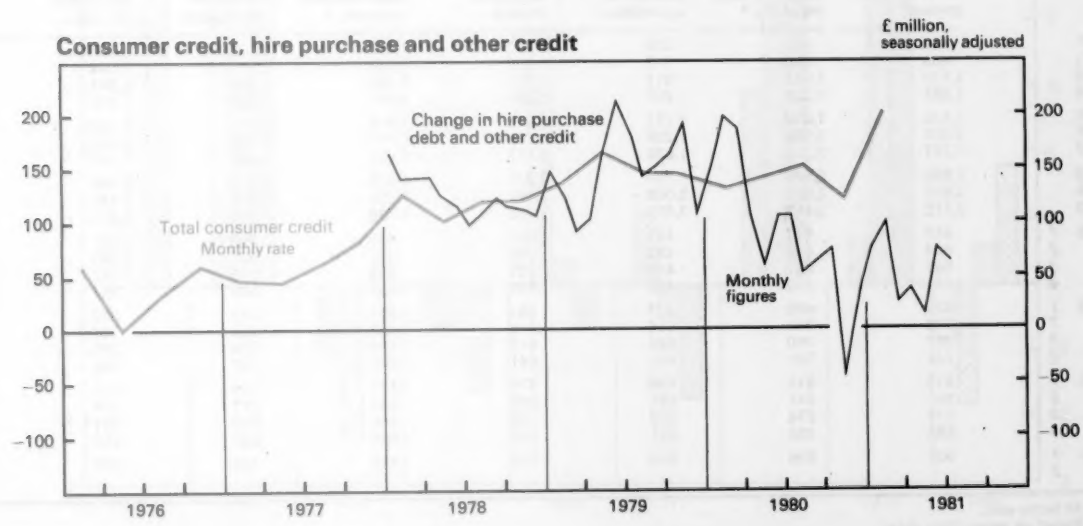
Volume of total retail sales



New registration of cars



Consumer credit, hire purchase and other credit



Shares of income and expenditure

Seasonally adjusted

		£ million	Per cent						£ million	Per cent		
			Percentage share of total final expenditure							Percentage share of total domestic income		
					Gross fixed investment							
		Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1, 2]
1970		62,210	51·1	14·5	3·9	2·7	8·6	18·6	45,112	67·7	13·4	18·9
1971		69,484	51·2	14·8	3·7	2·7	8·8	18·7	50,082	66·8	13·8	19·4
1972		77,175	52·1	15·1	3·5	2·3	9·2	17·7	57,198	66·1	14·1	19·8
1973		91,949	49·8	14·6	4·0	2·2	9·2	18·6	68,137	64·2	15·2	20·6
1974		110,253	47·6	15·0	4·0	2·6	8·8	20·9	80,014	66·3	13·3	20·4
1975		133,392	48·3	17·3	3·7	2·9	8·6	20·3	99,042	68·8	12·1	19·1
1976		161,167	46·4	16·6	3·3	2·9	8·4	21·8	115,870	66·9	13·1	20·0
1977		185,592	46·0	15·7	2·6	2·6	8·7	23·4	129,816	65·9	13·9	20·2
1978		209,456	47·0	15·7	2·2	2·4	9·6	22·6	147,890	66·0	13·7	20·3
1979		244,923	47·2	15·6	2·1	2·3	9·4	22·3	173,381	65·7	14·5	19·8
1980		280,808	47·9	17·1	2·0	2·4	9·5	22·3	199,025	67·7	12·3	20·0
1978	*1*	50,040	47·0	15·8	2·4	2·3	9·8	22·5	34,788	66·1	13·9	20·0
	2	51,763	46·6	15·6	2·2	2·4	9·7	22·8	36,835	65·5	14·3	20·2
	3	53,275	47·1	15·6	2·2	2·3	9·5	22·6	37,615	66·1	13·5	20·4
	4	54,378	47·1	15·9	2·1	2·3	9·5	22·7	38,652	66·4	13·4	20·2
1979	*1*	55,772	47·8	15·8	2·1	2·4	9·3	20·8	39,923	66·5	13·1	20·4
	2	60,626	47·6	15·3	1·9	2·2	9·2	23·3	42,750	64·9	15·2	19·9
	3	62,721	46·7	15·9	2·1	2·3	9·3	22·4	44,267	65·8	14·6	19·6
	4	65,804	46·9	15·5	2·0	2·2	9·8	22·6	46,441	65·7	14·8	19·5
1980	*1*	68,457	48·2	15·9	1·9	2·3	9·6	23·0	48,516	65·1	15·1	19·8
	2	69,959	47·3	16·6	1·9	2·5	9·3	22·5	49,348	67·5	13·0	19·5
	3	70,767	47·6	17·8	1·9	2·5	9·5	21·9	50,181	69·2	10·6	20·2
	4	71,625	48·6	18·1	2·0	2·4	9·4	21·9	50,980	68·9	10·5	20·6
1981	*1*[3]	..	..	..	..	..	..	..	51,945	67·8	11·6	20·6
	2											

[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.
[3] It has not been possible to produce an estimate for total expenditure in Q1 1981 owing to the lack of overseas trade figures for March. See footnote [3] on page 6.

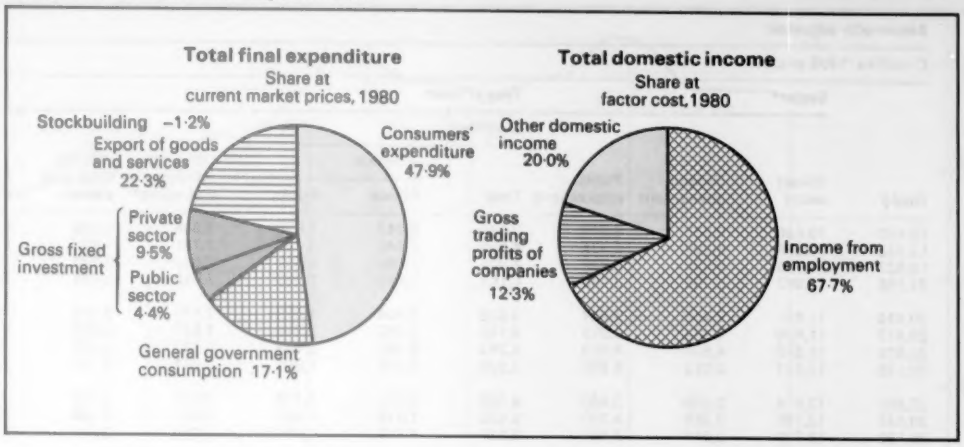
Income, product and spending *per capita*

Seasonally adjusted

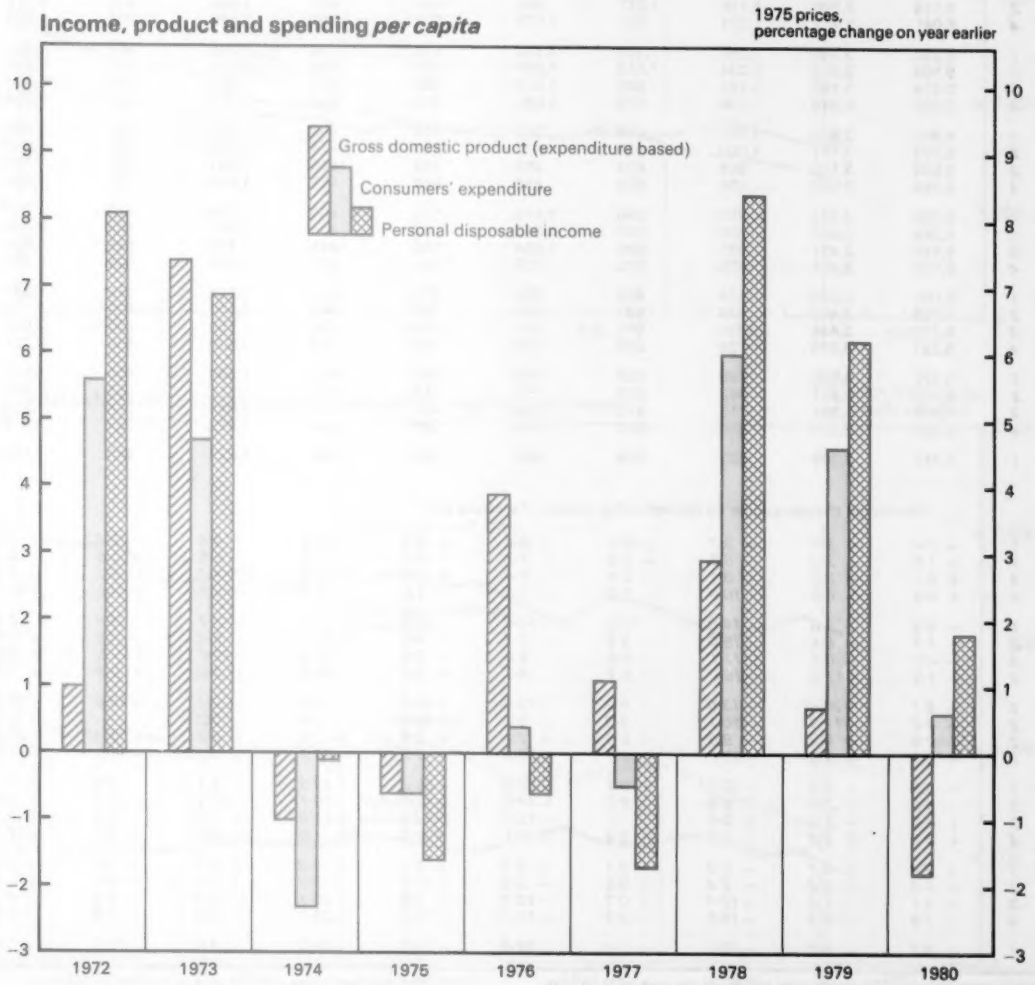
		£, current prices				£, 1975 prices		
		Gross national product[1]	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income
1971		896	887	639	692	1,572	1,072	1,160
1972		999	990	719	797	1,588	1,132	1,254
1973		1,170	1,147	817	925	1,705	1,185	1,341
1974		1,354	1,329	937	1,084	1,688	1,158	1,339
1975		1,692	1,678	1,151	1,318	1,678	1,151	1,318
1976		2,013	1,988	1,336	1,515	1,744	1,155	1,310
1977		2,257	2,255	1,529	1,713	1,764	1,149	1,288
1978		2,595	2,582	1,760	2,017	1,816	1,218	1,396
1979		2,954	2,938	2,068	2,407	1,828	1,274	1,483
1980		3,412	3,412	2,404	2,833	1,796	1,282	1,510
1978	*1*	619	617	421	465	449	300	331
	2	644	640	432	496	456	301	347
	3	661	657	449	521	454	308	357
	4	671	668	458	535	457	309	361
1979	*1*	688	680	477	552	451	312	362
	2	728	727	516	579	463	328	368
	3	757	750	524	615	454	314	368
	4	781	781	551	661	460	320	384
1980	*1*	812	811	590	671	457	329	375
	2	840	841	591	697	449	317	374
	3	874	874	602	725	446	316	381
	4	886	886	621	740	444	320	380
1981	*1*	907	906	644	745	445	324	375
	2							

[1] At factor cost.
[2] Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*



Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

		Sector[2]			Type of asset					
					Dwellings					
						of which:		Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
		Total §	Private sector	General government	Public corporations	Total	Private	Public			
1970		19,460	10,685	5,475	3,316	3,850	2,047	1,879	7,655	1,819	6,365
1971		19,743	11,099	5,297	3,334	4,091	2,440	1,733	7,781	1,882	6,264
1972		19,823	11,776	5,076	2,932	4,309	2,745	1,609	7,607	2,148	6,055
1973		21,195	12,267	5,793	3,135	4,152	2,449	1,703	7,852	2,416	6,775
1974		20,616	11,641	5,418	3,557	3,826	2,004	1,822	7,475	2,326	6,989
1975		20,417	11,530	4,974	3,913	4,146	2,182	1,964	7,547	2,039	6,685
1976		20,673	11,810	4,820	4,043	4,263	2,180	2,083	7,529	2,023	6,858
1977		20,145	12,447	4,013	3,685	3,900	2,039	1,861	7,041	2,152	7,052
1978		20,853	13,814	3,559	3,480	4,065	2,330	1,735	7,041	2,169	7,578
1979		20,541	13,785	3,359	3,397	3,536	1,975	1,561	6,591	2,284	8,130
1980		20,123	13,739	2,919	3,465	3,121	1,711	1,410	6,280	2,217	8,505
1975	*1*	5,112	2,916	1,239	957	1,006	539	467	1,861	562	1,683
	2	5,086	2,846	1,306	934	1,082	566	516	1,811	493	1,700
	3	5,178	2,986	1,165	1,027	985	544	441	1,995	481	1,717
	4	5,041	2,782	1,264	995	1,073	533	540	1,880	503	1,585
1976	*1*	5,232	2,846	1,284	1,102	1,100	570	530	1,943	498	1,691
	2	5,164	2,916	1,234	1,014	1,057	531	526	1,910	506	1,691
	3	5,215	3,100	1,164	951	1,068	565	503	1,922	513	1,712
	4	5,062	2,948	1,138	976	1,038	514	524	1,754	506	1,764
1977	*1*	4,901	2,896	1,092	913	941	445	496	1,754	522	1,684
	2	5,079	3,151	1,000	928	977	507	470	1,806	556	1,740
	3	5,009	3,120	965	924	983	543	440	1,691	541	1,794
	4	5,156	3,280	956	920	999	544	455	1,790	533	1,834
1978	*1*	5,299	3,493	950	856	1,110	641	469	1,753	579	1,857
	2	5,298	3,506	899	893	1,013	588	425	1,803	556	1,926
	3	5,148	3,407	875	866	1,004	558	446	1,729	525	1,890
	4	5,108	3,408	835	865	938	543	395	1,756	509	1,905
1979	*1*	5,005	3,309	834	862	856	473	383	1,646	560	1,943
	2	5,058	3,405	820	833	865	483	382	1,564	625	2,004
	3	5,191	3,446	879	866	876	479	397	1,706	557	2,052
	4	5,287	3,625	826	836	939	540	399	1,675	542	2,131
1980	*1*	5,227	3,595	769	863	905	500	405	1,602	600	2,120
	2	5,032	3,377	743	912	780	419	361	1,511	582	2,159
	3	4,980	3,391	717	872	769	432	337	1,555	508	2,148
	4	4,884	3,376	690	818	667	360	307	1,612	527	2,078
1981	*1*	4,747	3,308	623	816	646	396	250	1,529	440	2,132
		Percentage change, quarter on corresponding quarter of previous year									
1976	*1*	*+ 2·4*	*− 2·4*	*+ 3·7*	*+15·1*	*+ 9·4*	*+ 5·8*	*+13·5*	*+ 4·4*	*−11·4*	*+ 0·5*
	2	*+ 1·5*	*+ 2·4*	*− 5·5*	*+ 8·6*	*− 2·3*	*− 6·2*	*+ 1·9*	*+ 5·5*	*+ 2·6*	*− 0·6*
	3	*+ 0·7*	*+ 3·8*	*− 0·1*	*− 7·4*	*+ 8·4*	*+ 3·9*	*+14·1*	*− 3·7*	*+ 6·7*	*− 0·3*
	4	*+ 0·4*	*+ 6·0*	*−10·0*	*− 1·9*	*− 3·3*	*− 3·6*	*− 3·0*	*− 6·7*	*+ 0·6*	*+11·3*
1977	*1*	*− 6·3*	*+ 1·8*	*−14·9*	*−17·2*	*−14·4*	*−21·9*	*− 6·4*	*− 9·7*	*+ 4·8*	*− 0·4*
	2	*− 1·7*	*+ 8·1*	*−19·0*	*− 8·5*	*− 7·6*	*− 4·5*	*−10·7*	*− 5·4*	*+ 9·9*	*+ 2·9*
	3	*− 4·0*	*+ 0·6*	*−17·1*	*− 2·8*	*− 8·0*	*− 3·9*	*−12·5*	*−12·0*	*+ 5·5*	*+ 4·8*
	4	*+ 1·9*	*+11·2*	*−16·0*	*− 5·7*	*− 3·7*	*+ 5·8*	*−13·2*	*+ 2·0*	*+ 5·3*	*+ 3·9*
1978	*1*	*+ 8·1*	*+20·6*	*−13·0*	*− 6·2*	*+18·0*	*+44·0*	*− 5·4*	*− 0·1*	*+10·9*	*+10·3*
	2	*+ 4·3*	*+11·3*	*−10·1*	*− 3·8*	*+ 3·7*	*+16·0*	*− 9·6*	*− 0·2*	*—*	*+10·7*
	3	*+ 2·8*	*+ 9·2*	*− 9·3*	*− 6·3*	*+ 2·1*	*+ 2·8*	*+ 1·4*	*+ 2·3*	*− 2·9*	*+ 5·3*
	4	*− 0·9*	*+ 3·9*	*−12·7*	*− 6·0*	*− 6·1*	*− 0·2*	*−13·2*	*− 1·9*	*− 4·5*	*+ 3·9*
1979	*1*	*− 5·5*	*− 5·3*	*−12·2*	*+ 0·7*	*−22·9*	*−26·2*	*−18·3*	*− 6·1*	*− 3·3*	*+ 4·6*
	2	*− 4·5*	*− 2·9*	*− 8·8*	*− 6·7*	*−14·6*	*−17·9*	*−10·1*	*−13·3*	*+12·4*	*+ 4·0*
	3	*+ 0·8*	*+ 1·2*	*+ 0·5*	*—*	*−12·7*	*−14·2*	*−11·0*	*− 1·3*	*+ 6·1*	*+ 8·6*
	4	*+ 3·5*	*+ 6·4*	*− 1·1*	*− 3·4*	*+ 0·1*	*− 0·5*	*+ 1·0*	*− 4·6*	*+ 6·5*	*+11·9*
1980	*1*	*+ 4·4*	*+ 8·7*	*− 7·8*	*+ 0·1*	*+ 5·7*	*+ 5·7*	*+ 5·8*	*− 2·7*	*+ 7·2*	*+ 9·1*
	2	*− 0·5*	*− 0·8*	*− 9·4*	*+ 9·5*	*− 9·8*	*−13·3*	*− 5·5*	*− 3·4*	*− 6·9*	*+ 7·7*
	3	*− 4·1*	*− 1·6*	*−18·4*	*+ 0·7*	*−12·2*	*− 9·8*	*−15·1*	*− 8·8*	*− 8·8*	*+ 4·7*
	4	*− 7·6*	*− 6·9*	*−16·5*	*− 2·2*	*−29·0*	*−33·3*	*−23·1*	*− 3·8*	*− 2·8*	*− 2·5*
1981	*1*	*− 9·2*	*− 8·0*	*−19·0*	*− 5·4*	*−28·6*	*−20·8*	*−38·3*	*− 4·6*	*−26·7*	*+ 0·6*

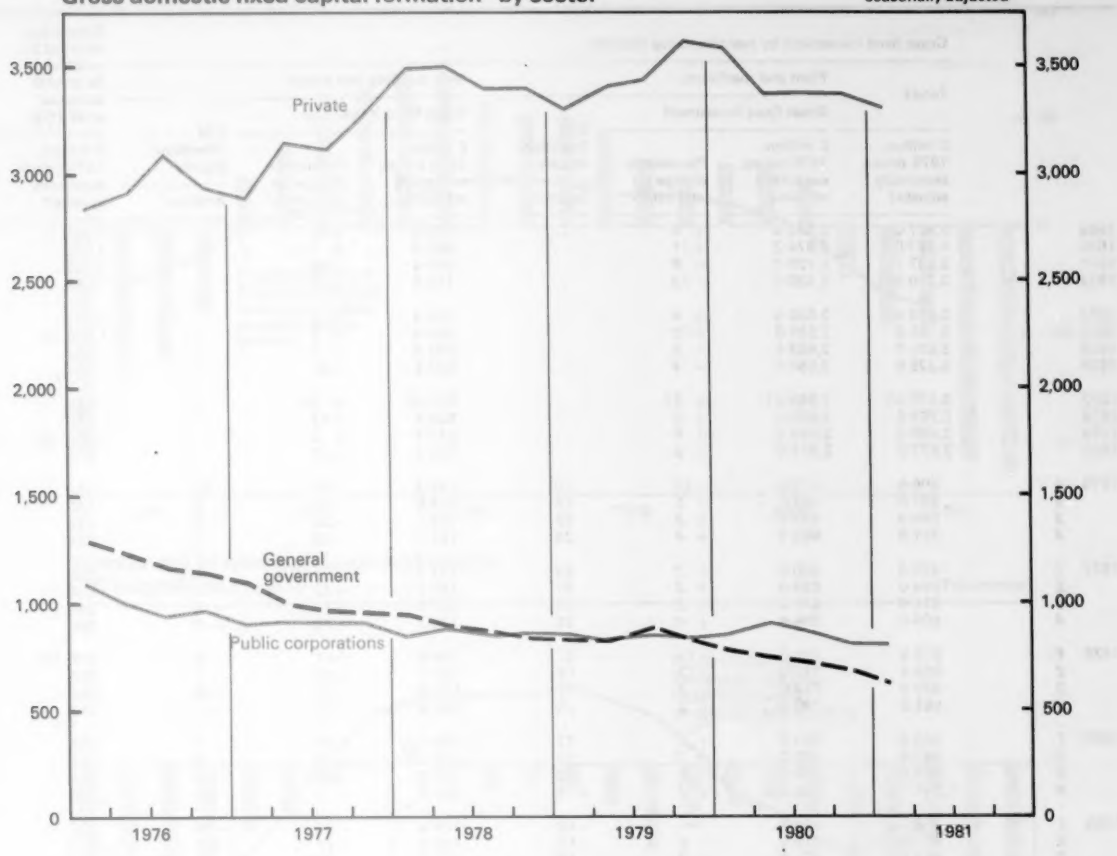
[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

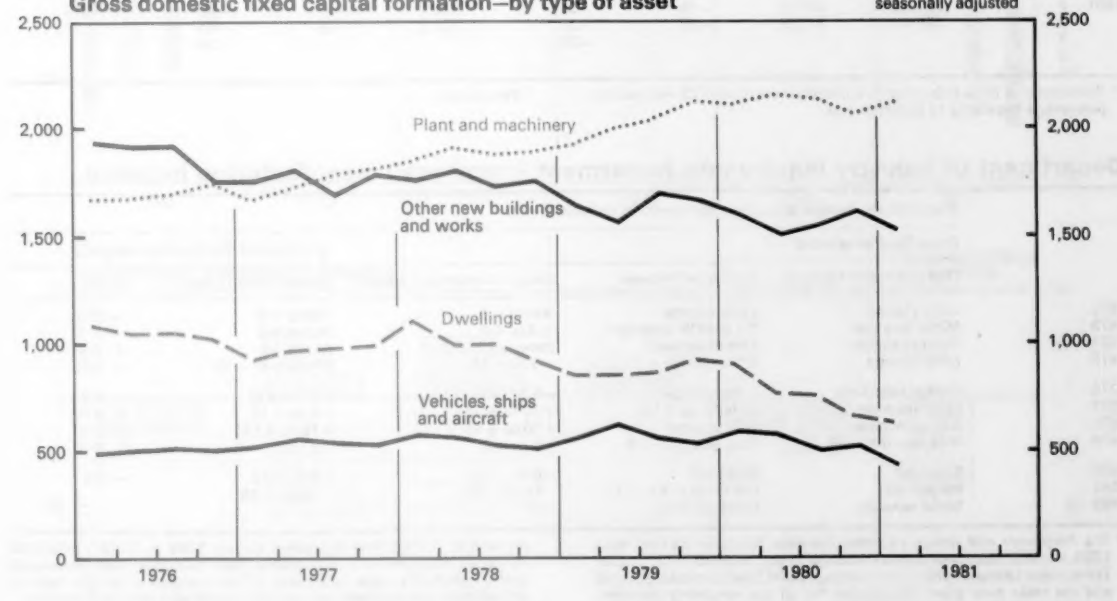
Gross domestic fixed capital formation—by sector

£ million, 1975 prices, seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million, 1975 prices, seasonally adjusted



Indicators of fixed investment by manufacturing industry

		Gross fixed investment by manufacturing industry							New orders received by contractors for private industrial work (GB)
		Total[5]	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969		3,877·0	2,679·5	*+ 4*	..	973·6	*+16*	..	1,507
1970		4,177·0	2,974·2	*+11*	..	980·8	*+ 1*	..	1,410
1971		3,897·7	2,795·3	*− 6*	..	880·4	*−10*	..	1,012
1972		3,370·4	2,420·4	*−13*	..	710·6	*−19*	..	1,003
1973		3,439·8	2,505·3	*+ 4*	..	674·4	*− 5*	..	1,287
1974		3,781·8	2,821·3	*+13*	..	686·9	*+ 2*	..	1,076
1975		3,521·9	2,682·1	*− 5*	..	639·9	*− 7*	..	684
1976		3,325·8	2,584·5	*− 4*	..	503·5	*−21*	..	797
1977		3,475·5†	2,649·2†	*+ 3*†	..	550·4†	*+ 9*†	..	955
1978		3,769·4	2,884·4	*+ 9*	..	622·4	*+13*	..	998
1979		3,968·8	3,053·3	*+ 6*	..	642·7	*+ 3*	..	1,009
1980		3,577·3	2,811·0	*− 8*		535·7	*−17*		854
1976	*1*	806·6	619·9	*−13*	10	133·2	*−24*	−12	181
	2	827·0	642·7	*− 6*	15	124·5	*−26*	− 9	190
	3	840·3	655·0	*+ 2*	26	124·1	*−20*	− 3	192
	4	851·9	666·9	*+ 4*	26	121·7	*−13*	1	234
1977	*1*	830·6	630·5	*+ 2*	29	132·5	*− 1*	4	215
	2	864·0	653·3	*+ 2*	31	139·5	*+12*	—	256
	3	876·0	671·0	*+ 2*	23	137·7	*+11*	− 4	244
	4	904·9	694·4	*+ 4*	21	140·7	*+16*	− 3	240
1978	*1*	919·9	701·8	*+11*	21	146·9	*+11*	− 4	277
	2	958·4	737·6	*+13*	18	153·7	*+10*	− 7	254
	3	939·6	714·8	*+ 7*	13	156·8	*+14*	−15	256
	4	951·5	730·2	*+ 5*	10	165·0	*+17*	−11	211
1979	*1*	989·8	754·0	*+ 7*	12	170·3	*+16*	− 7	239
	2	987·9	761·2	*+ 3*	12	158·2	*+ 3*	− 6	257
	3	987·0	759·9	*+ 6*	8	161·0	*+ 3*	− 9	244
	4	1,004·1	778·2	*+ 7*	− 9	153·2	*− 7*	−20	269
1980	*1*	958·6	754·2	—	−18	136·4	*−20*	−30	221
	2	917·9	718·9	*− 6*	−18	140·1	*−11*	−31	222
	3	892·7	701·8	*− 8*	−43	134·3	*−17*	−47	204
	4	808·1	636·1	*−18*	−46	124·9	*−18*	−49	206
1981	*1*	781·2	607·9	*−19*	−38	134·4	*− 1*	−46	157†
	2	776·4	612·0	*−15*	−30	121·2	*−13*	−40	167[2]
	3				−23			−35	
	4								

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

[2] Provisional.

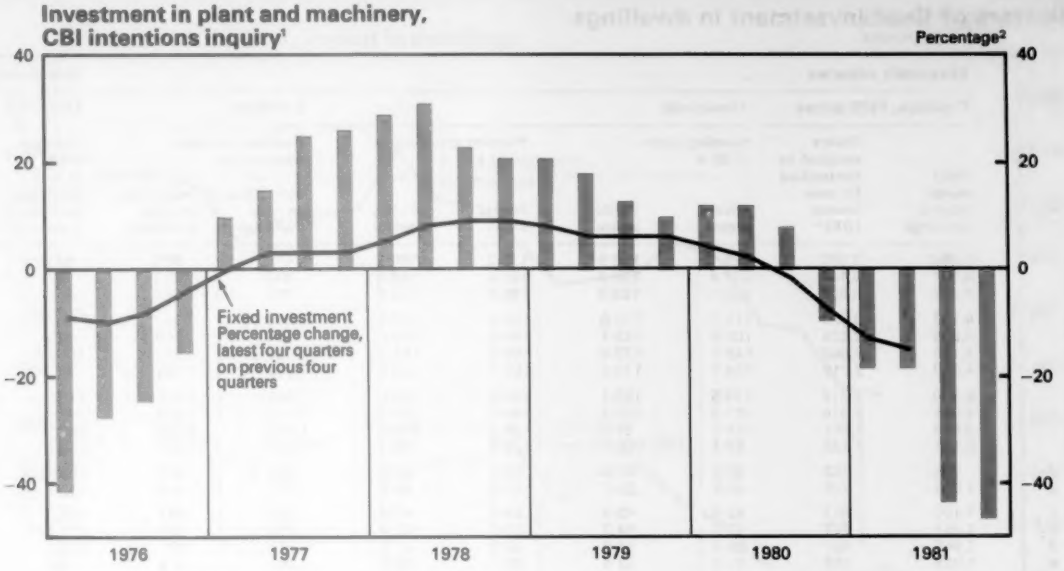
Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms				
	Gross fixed investment				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1972	Little change	Little change	About −3	About −3	−13·5
1973	Might be a rise	No specific comment	+2 to +5	About +5	+ 2·1
1974	Strong increase	Strong increase	some +12 to +14	About +5	+ 9·9
1975	Little change	Little change	−7 to −10	Of order of −15	− 6·9
1976	Further reduction	Little change	−5 to −8	−6 (5 to 8)	− 5·6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+ 4·5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+ 8·5
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+ 5·3
1980	Slight fall	Slight fall	−6 to −10	−8 to −12	− 9·9
1981	Further fall	Fall of up to 8 to 12	−15 to −20	−15 to −18	
1982	Some recovery	Some recovery			

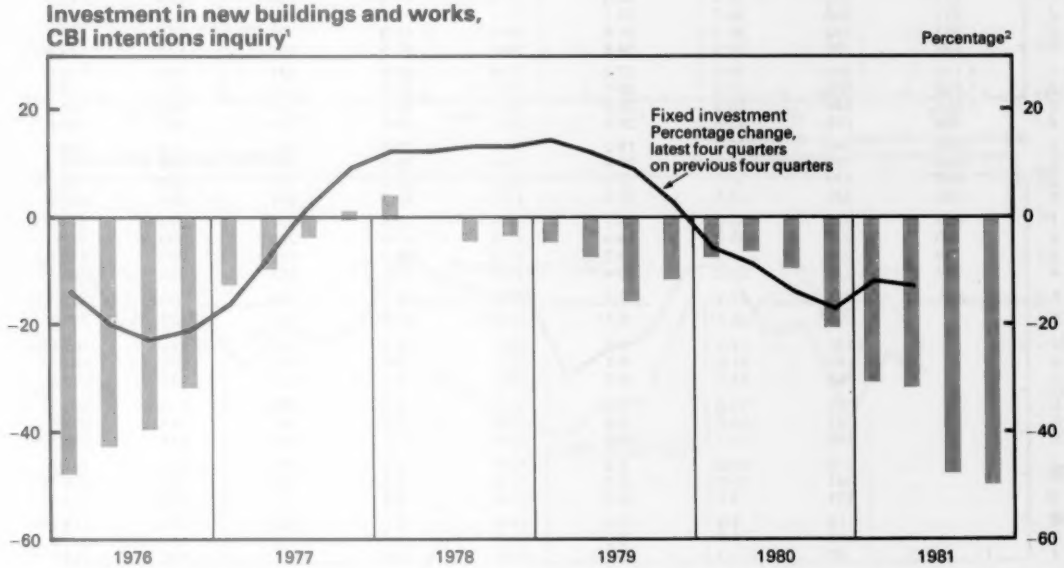
[1] The frequency and timing of these inquiries has been altered from 1980 and this has necessitated a change in the columns of the table. The summer forecasts which previously appeared have been discontinued and the table now gives information for all the remaining inquiries.

An article, "Investment intentions survey: 1968 to 1979", published in *British business* on 24 September 1980 describes these alterations and expands the table to include all the inquiries. A similar table is included for the inquiries into the distributive and service industries.

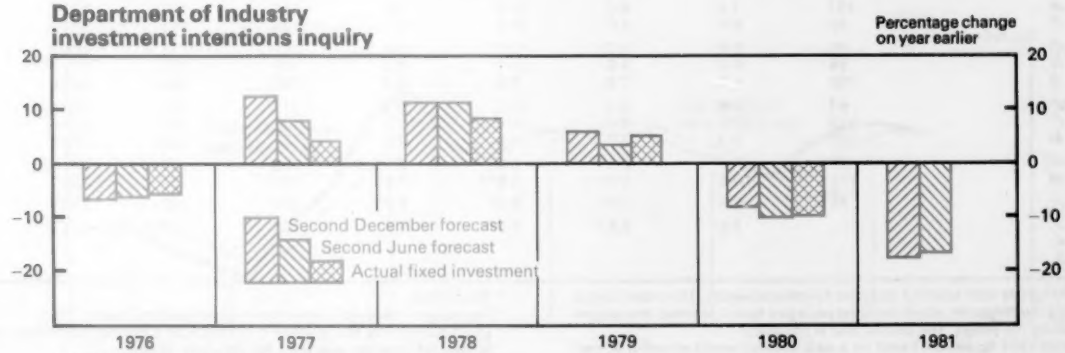
Investment in plant and machinery, CBI intentions inquiry[1]



Investment in new buildings and works, CBI intentions inquiry[1]



Department of Industry investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1975 prices		Thousands				£ million		1975 = 100
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)[5]	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
				Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	
1970		3,850	3,093	165·1	153·8	170·3	180·1	619	510	41·8
1971		4,091	3,147	207·4	136·9	191·6	158·9	840	713	48·1
1972		4,309	3,507	228·0	123·0	196·5	122·8	964	862	63·3
1973		4,152	3,320	215·7	112·8	186·6	107·5	816	903	86·2
1974		3,826	2,224	105·9	146·1	140·9	128·6	704	700	91·4
1975		4,146	2,663	149·1	173·8	150·8	162·3	994	945	100·0[2]
1976		4,263	2,712	154·7	170·8	152·2	163·0	1,119	1,125	108·4
1977		3,900	2,214	134·8	132·1	140·8	162·5	1,261	1,175	119·0
1978		4,065	2,316	157·3	107·4	149·0	130·8	1,523	1,503	142·6
1979		3,536	1,901	144·1	81·5	138·2	104·0	1,498	1,519	183·2
1980		3,121	1,322	97·4	56·1	125·9	106·7	1,444	1,406	219·6
1975	*3*	985	702	38·0	43·9	37·6	42·5	248	242	102·1
	4	1,073	726	40·6	50·7	37·8	42·7	271	249	102·7
1976	*1*	1,100	813	42·0	49·8	39·4	40·6	293	261	104·3
	2	1,057	703	42·0	44·3	37·8	42·4	295	294	107·9
	3	1,068	627	39·3	44·3	38·3	41·5	272	291	110·3
	4	1,038	569	31·4	32·4	36·7	38·5	259	279	111·5
1977	*1*	941	514	29·9	30·3	33·8	37·5	246	259	112·7
	2	977	558	34·7	32·7	36·0	40·3	298	269	116·6
	3	983	552	35·3	34·6	34·8	41·8	326	308	120·5
	4	999	590	34·9	34·5	36·5	42·9	391	339	124·5
1978	*1*	1,110	606	35·5	27·2	37·8	33·8	421	380	130·5
	2	1,013	586	39·6	30·0	38·1	33·2	369	403	138·0
	3	1,004	586	38·3	26·0	35·8	32·4	354	355	148·2
	4	938	538	43·9	24·2	37·3	31·4	379	365	157·6
1979	*1*	856	444	28·0	18·2	31·2	23·2	381	375	166·1
	2	865	499	35·5	20·9	33·8	25·3	378	384	178·2
	3	876	512	38·1	19·9	32·9	24·8	378	389	190·6
	4	939	446	42·5	22·5	40·3	30·7	361	371	201·8
1980	*1*	905	402	30·0	18·2	34·0	27·8	351	363	211·1
	2	780	331	25·0	14·3	31·2	27·0	338	339	219·3
	3	769	297	21·2	13·2	31·2	26·8	369	340	223·4
	4	667	292	21·2	10·4	29·5	25·1	386	364	225·1
1981	*1*	646	321	32·3	8·7	29·9	28·3	384	379	228·7[4]†
	2		289[3]	29·0[3]†	8·7[3]	25·8[3]†	23·8[3]†	378	377	229·6
1979	*J*	..	191	12·5	6·9	10·7	8·3	133	134	186·4
	A	..	163	11·3	6·7	10·1	7·8	125	132	192·7
	S	..	158	14·3	6·3	12·1	8·7	120	123	193·3
	O	..	154	14·3	5·4	11·7	9·1	125	132	199·1
	N	..	142	14·0	6·8	13·2	9·9	121	123	202·6
	D	..	150	14·2	10·3	15·4	11·7	115	116	204·4
1980	*J*	..	130	10·3	5·8	11·4	9·4	115	122	208·3
	F	..	141	10·7	6·7	11·5	9·1	115	121	209·1
	M	..	131	9·0	5·7	11·1	9·3	121	120	215·0
	A	..	119	8·6	4·6	10·4	8·1	123	112	217·7
	M	..	117	8·7	5·6	10·2	9·1	111	111	221·2
	J	..	95	7·7	4·1	10·6	9·8	104	116	218·9
	J	..	98	7·2	4·3	10·6	9·1	124	112	222·2
	A	..	104	7·5	4·2	10·5	9·0	121	116	223·1
	S	..	95	6·5	4·7	10·1	8·7	124	112	224·9
	O	..	96	6·8	3·7	10·0	8·6	119	118	224·7
	N	..	96	8·0	3·8	10·1	8·3	128	120	225·0
	D	..	100	6·4	2·9	9·4	8·2	139	126	225·6
1981	*J*	..	89	10·8	3·2	10·3	8·4	112	122	225·6[4]†
	F	..	126	12·2	3·0	10·0	10·7	135	131	229·5
	M	..	107	9·3	2·5	9·6	9·2	137	126	230·5
	A	..	89†	8·6†	2·9	8·6	8·1†	129	127	231·3
	M	..	114[3]	10·6[3]	2·9[3]	8·8[3]†	7·7[3]	121	121	230·1
	J	..	86[3]	9·8[3]	2·9[3]	8·4[3]	8·0[3]	128	129	227·5
	J			9·9[3]	2·6[3]	9·3[3]	5·8[3]	106	117	229·2
	A									
	S									

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

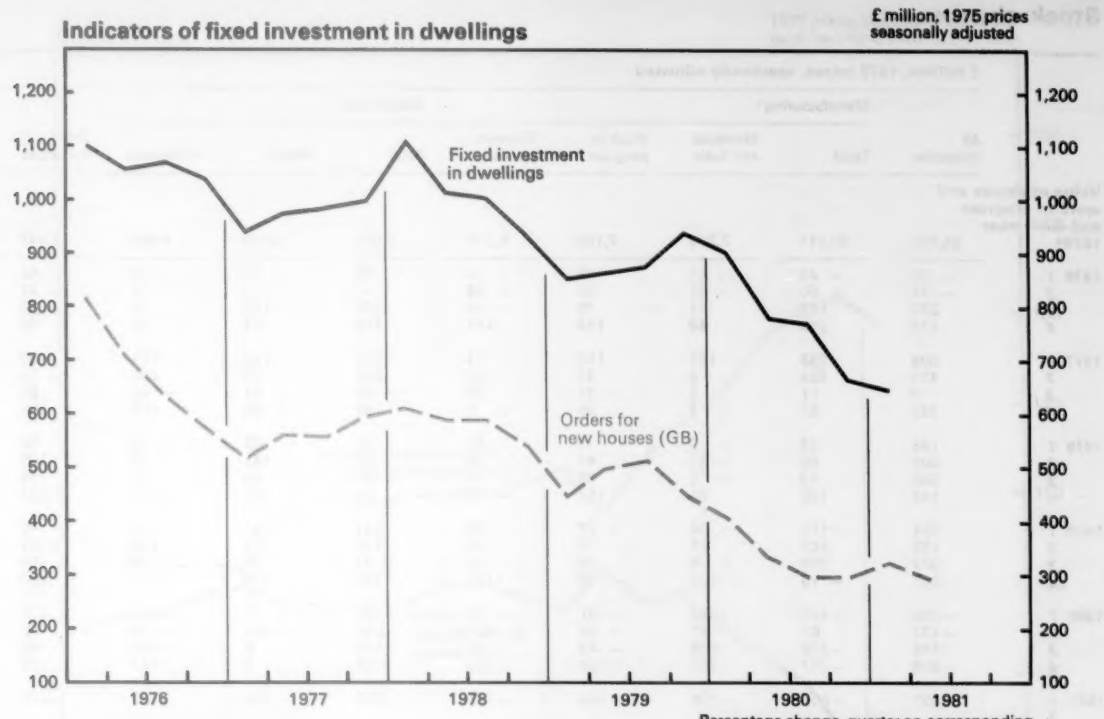
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

[3] Provisional.

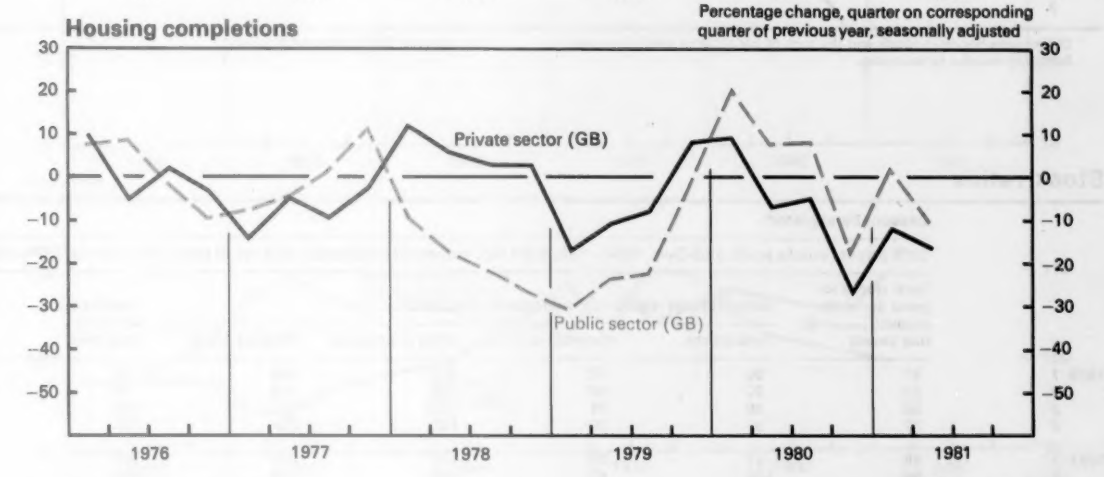
[4] Figures are based on a new return introduced in January 1981.

[5] The discontinuity in the series arose because a register with more up to date information was used for the June inquiry.

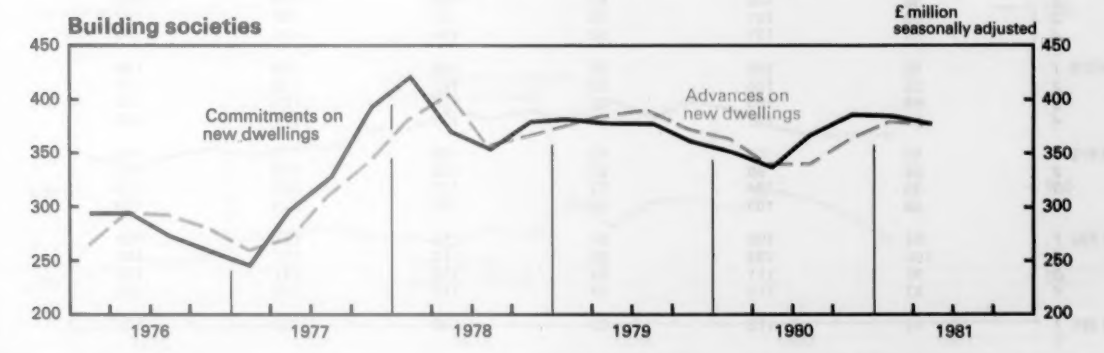
Indicators of fixed investment in dwellings



Housing completions



Building societies



Stock changes

£ million, 1975 prices, seasonally adjusted

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1979[2]	36,650	20,111	7,208	7,184	5,719	9,092	4,243	4,849	7,447
1976 *1*	− 20	− 43	− 63	23	− 3	65	45	20	− 42
2	− 71	− 60	− 51	39	− 48	—	− 3	3	− 11
3	270	152	93	79	− 19	182	112	70	− 64
4	475	314	49	124	141	112	74	38	49
1977 *1*	509	253	123	116	14	222	119	103	34
2	476	224	8	30	186	268	32	236	− 16
3	3	11	2	− 27	36	− 91	− 51	− 40	83
4	322	92	− 3	95	− 1	85	− 28	113	145
1978 *1*	176	73	− 2	13	62	73	39	34	30
2	303	85	− 34	43	75	93	141	− 48	125
3	202	69	− 8	36	42	87	66	21	46
4	144	108	26	152	− 70	60	82	− 22	− 24
1979 *1*	751	−115	− 94	− 77	55	147	87	60	719
2	103	153	97	77	− 22	192	63	129	−242
3	377	204	− 5	82	128	67	95	− 28	106
4	347	− 76	−103	−149	177	193	176	17	230
1980 *1*	−348	−471	−228	−181	− 62	−195	− 80	−115	318
2	−137	61	− 32	− 30	123	−236	−157	− 79	38
3	−448	−279	−188	− 45	− 46	−103	8	−111	− 66
4	−988	−707	−254	−188	−265	−102	5	−107	−179
1981 *1*	−951	−601	−195	−164	−242	126	146	− 20	−476
2									

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

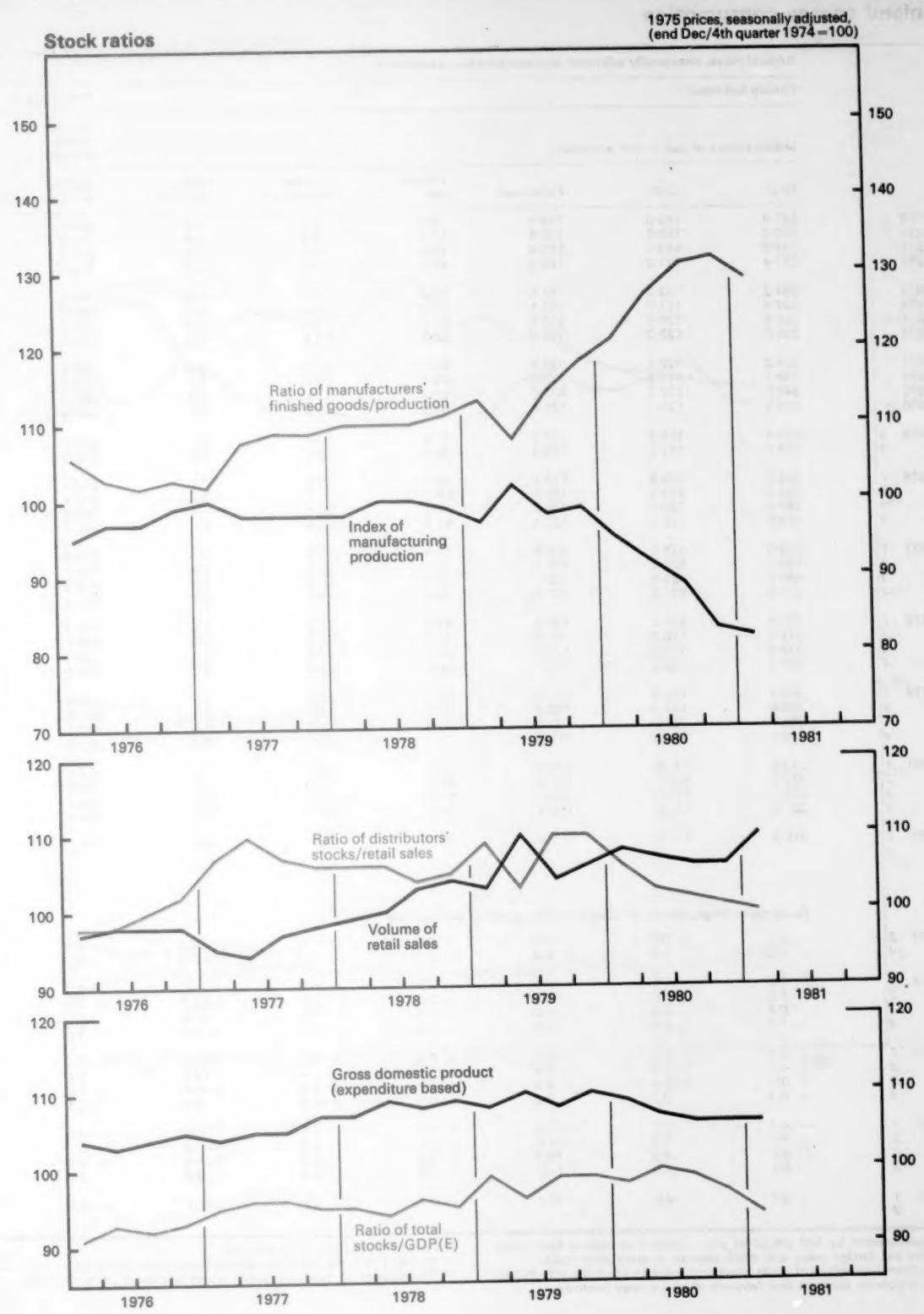
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1976 *1*	91	99	92	102	106	98
2	93	97	90	101	103	98
3	92	98	91	102	102	100
4	93	97	90	102	103	102
1977 *1*	95	97	90	102	102	107
2	96	100	92	105	108	110
3	96	101	93	105	109	107
4	95	101	92	106	109	106
1978 *1*	95	102	92	106	110	108
2	94	100	90	105	110	106
3	96	100	90	105	110	104
4	95	102	92	109	111	105
1979 *1*	99	103	92	109	113	109
2	96	99	89	106	108	103
3	99	104	92	111	114	110
4	99	103	90	108	118	110
1980 *1*	98	105	91	110	121	106
2	100	108	93	112	127	103
3	99	111	94	116	131	102
4	97	113	97	119	132	101
1981 *1*	94	112	95	120	129	100
2						

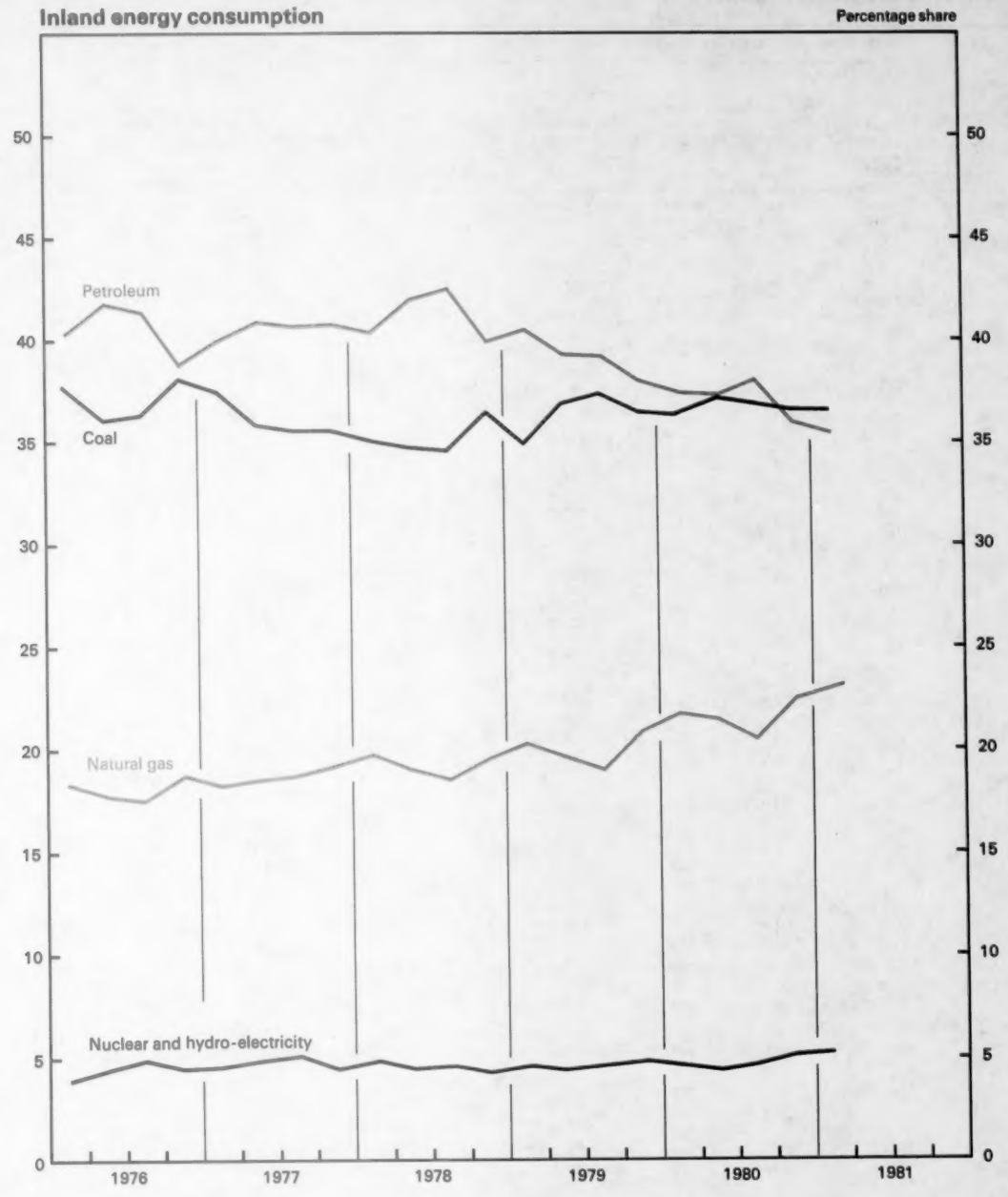

Stock ratios
1975 prices, seasonally adjusted,
(end Dec/4th quarter 1974 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1976
1977
1978
1979
1980
1981

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]
1969		323·0	162·8	138·4	9·4	10·7	1·7	200·5
1970		336·3	156·8	149·8	17·8	9·5	2·4	211·6
1971		332·9	140·0	152·4	28·8	9·9	1·8	215·9
1972		337·4	121·8	162·2	41·0	10·6	1·8	224·1
1973		354·2	133·2	164·5	44·4	10·1	2·0	241·0
1974		337·9	117·7	153·1	52·9	12·1	2·1	235·5
1975		326·9	120·6	137·1	56·3	10·9	2·0	234·2
1976		331·5	123·0	134·2	59·5	12·9	1·9	236·7
1977		338·2	122·4	136·8	62·7	14·3	2·0	240·2
1978		339·1	119·4	139·2	65·0	13·4	2·1	246·3
1979		349·5	127·2	137·0	69·3	13·8	2·2	255·0
1980		326·5	120·2	121·2	69·9	13·3	2·0	245·9
1975	*3*	326·4	116·9	139·2	57·4	10·8	2·1	234·7
	4	318·9	117·2	129·2	58·5	12·0	2·0	228·5
1976	*1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9
	2	334·6	120·8	139·5	59·2	12·5	2·6	240·4
	3	330·9	120·5	136·7	57·6	14·6	1·5	244·3
	4	328·0	125·2	126·8	61·0	13·4	1·6	231·4
1977	*1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9
	2	337·7	121·1	137·7	62·0	14·5	2·4	242·9
	3	340·5	121·6	138·1	63·4	15·7	1·7	248·3
	4	337·5	120·4	137·3	64·3	13·1	2·4	231·9
1978	*1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3
	2	341·2	118·7	142·9	64·2	13·3	2·1	248·1
	3	338·3	117·2	143·6	62·4	13·2	1·9	253·9
	4	343·4	125·2	136·7	66·5	12·5	2·5	245·7
1979	*1*	349·1	121·8	141·0	70·3	14·5	1·5	252·6
	2	355·8	131·3	139·4	69·4	13·3	2·4	257·6
	3	352·1	131·8	137·8	66·6	13·3	2·6	257·7
	4	342·1	124·8	129·8	71·1	14·0	2·4	252·0
1980	*1*	333·9	121·5	124·4	72·4	13·8	1·8	242·5
	2	328·3	122·1	122·0	69·9	12·9	1·4	248·1
	3	323·7	119·3	123·1	66·1	12·5	2·7	249·0
	4	321·2	117·6	115·4	71·7	14·2	2·3	244·1
1981	*1*	316·9	116·0	111·8	72·7	13·5	2·9	235·7
	2							
		Percentage change, quarter on corresponding quarter of previous year						
1977	*3*	+ 2·9	+ 0·9	+ 1·0	+10·1	+ 7·5	+13·3	+ 1·6
	4	+ 2·9	− 3·8	+ 8·3	+ 5·4	− 2·2	+50·0	+ 0·2
1978	*1*	− 1·6	− 7·6	− 0·5	+ 6·2	+ 5·0	+12·5	− 0·2
	2	+ 1·0	− 2·0	+ 3·8	+ 3·6	− 8·3	−12·5	+ 2·1
	3	− 0·7	− 3·6	+ 4·0	− 1·6	−15·9	+11·8	+ 2·3
	4	+ 1·7	+ 4·0	− 0·4	+ 3·4	− 4·6	+ 4·2	+ 6·0
1979	*1*	+ 5·3	+ 4·4	+ 5·7	+ 8·3	− 0·7	−16·7	+ 6·4
	2	+ 4·3	+10·6	− 2·4	+ 8·1	—	+14·3	+ 3·8
	3	+ 4·1	+12·5	− 4·0	+ 6·7	+ 0·8	+36·8	+ 1·5
	4	− 0·4	− 0·3	− 5·0	+ 6·9	+12·0	− 4·0	+ 2·6
1980	*1*	− 4·4	− 0·2	−11·8	+ 3·0	− 4·8	+20·0	− 4·0
	2	− 7·7	− 7·0	−12·5	+ 0·7	− 3·0	−41·7	− 3·7
	3	− 8·1	− 9·5	−10·7	− 0·8	− 6·0	+ 3·8	− 3·4
	4	− 6·1	− 5·8	−11·1	+ 0·8	+ 1·4	− 4·2	− 3·1
1981	*1*	− 5·1	− 4·5	−10·1	+ 0·4	− 2·2	+61·1	− 2·8
	2							

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.

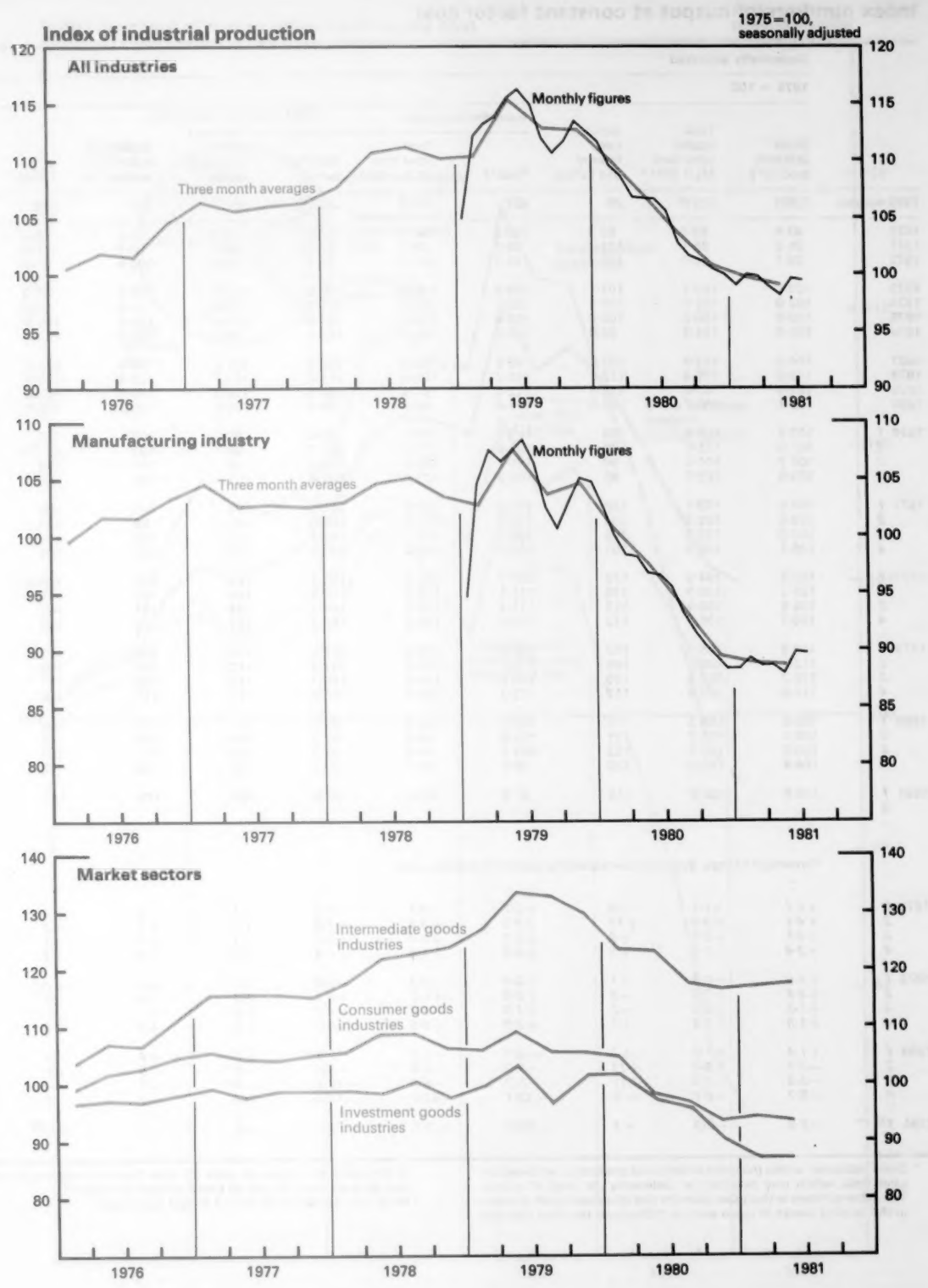

Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and hydro-electricity
1976
1977
1978
1979
1980
1981

Index of industrial production

1975 =100, seasonally adjusted

	All industries covered §	All industries other than MLH 104[2]	By industry: Mining and quarrying	By industry: Manufacturing §	By industry: Construction[3]	By industry: Gas, electricity and water	By market sector[1]: Consumer goods industries	By market sector[1]: Investment goods industries	By market sector[1]: Intermediate goods industries
1975 weights	*1,000*	*999·7*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1970	99·6	99·6	118·8	98·1	111·0	83·5	90·9	95·6	102·9
1971	99·7	99·6	118·8	97·5	112·9	86·7	93·3	93·6	102·1
1972	101·9	101·7	100·0	100·1	115·0	93·0	99·9	91·2	104·1
1973	109·4	109·2	110·0	108·4	117·8	98·6	107·9	99·0	112·6
1974	105·1	105·1	89·7	106·6	105·6	98·5	106·0	102·1	106·0
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	100·7	126·1	101·4	98·6	102·3	101·8	98·9	107·0
1977	105·9	101·9	188·4	102·9	98·2	106·4	104·6	98·2	115·4
1978	109·9	104·1	233·1	103·9	104·9	109·7	107·0	98·7	121·4
1979	112·6	104·3	295·7	104·4	101·3	116·1	106·4	100·2	130·6
1980	105·1	96·6	301·4	95·1	95·9	113·0	98·4	96·5	120·2
1976 *1*	100·3	99·7	110·7	99·4	100·6	102·2	98·9	96·2	103·5
2	101·8	100·7	120·8	101·7	97·8	102·2	101·5	97·0	107·0
3	101·5	100·1	125·7	101·6	96·5	99·8	102·4	96·4	106·6
4	104·5	102·2	147·2	103·1	99·7	105·0	104·2	97·9	111·0
1977 *1*	106·1	102·7	175·7	104·5	97·0	104·9	105·5	98·6	115·5
2	105·4	101·4	191·1	102·3	97·2	107·9	104·0	97·3	115·8
3	105·9	101·8	190·7	102·7	98·4	107·2	104·1	98·4	115·6
4	106·1	101·7	196·0	102·3	100·4	105·8	104·7	98·3	114·8
1978 *1*	107·4	102·5	210·4	102·8	102·1	106·5	105·2	98·5	117·6
2	110·7	105·0	230·3	104·6	106·9	111·2	108·5	98·1	122·0
3	111·2	105·3	236·5	105·0	106·2	112·3	108·4	100·2	122·5
4	110·1	103·4	255·2	103·2	104·5	108·8	105·9	97·7	123·6
1979 *1*	110·3	102·5	279·5	102·7	97·1	119·9	105·7	99·6	126·9
2	115·1	106·6	298·1	107·4	102·7	116·9	109·2	103·1	133·4
3	112·6	103·8	308·9	103·3	103·0	115·1	105·5	96·7	132·5
4	112·5	104·1	296·5	104·2	102·5	112·3	105·2	101·6	129·7
1980 *1*	109·9	101·3	306·5	100·3	101·0	113·1	104·5	101·8	123·6
2	106·6	98·2	297·9	97·1	97·5	112 2	98·0	97·5	123·3
3	103·4	95·2	291·1	93·5	94·7	112·9	97·0	96·0	117·2
4	100·6	91·6	310·1	89·4	90·3	113·6	93·9	90·8	116·9
1981 *1*	99·6†	90·2	317·7†	88·8	87·1†	110·1	94·1†	87·2†	117·5†
2	99·0	89·8	313·8	88·9†	83·3	112·5†	93·5	87·3	118·1
1979 *A*	113·8	105·9	283	106·5	..	116	108	103	130
M	115·5	106·8	303	107·4	..	119	109	103	134
J	116·1	107·2	309	108·3	..	115	110	103	135
J	115·0	105·9	314	106·5	..	115	108	101	135
A	112·0	103·3	305	102·6	..	116	105	96	132
S	110·7	102·0	308	100·7	..	115	104	93	130
O	111·6	103·1	300	103·0	..	111	104	99	129
N	113·3	105·0	296	105·0	..	116	106	103	131
D	112·5	104·3	293	104·8	..	110	106	103	129
1980 *J*	111·7	103·2	302	102·7	..	117	107	103	126
F	109·5	100·8	308	100·2	..	109	105	103	122
M	108·6	99·8	310	98·2	..	114	102	99	123
A	106·8	98·7	290	98·1	..	110	99	98	122
M	106·5	97·9	301	96·7	..	112	97	97	124
J	106·7	98·1	303	96·6	..	115	98	97	124
J	105·6	97·2	298	95·5	..	120	99	97	121
A	102·9	94·8	289	93·3	..	111	97	96	116
S	101·6	93·7	287	91·8	..	108	95	95	114
O	101·1	92·6	299	90·5	..	117	95	92	117
N	100·6	91·5	313	89·4	..	113	94	91	117
D	100·0	90·8	319	88·4	..	111	93	89	117
1981 *J*	99·0	89·9	313	88·4	..	109	94	88	116
F	99·9	90·6†	317	89·3	..	110	95	87	118
M	99·8†	90·2	324	88·7	..	111	94	87	119†
A	98·9	89·4	322†	88·7†	..	109	94	87	117
M	98·2	89·4	308	88·0	..	114	93	87†	117
J	99·7	90·6	312	89·9	..	114†	94	88	120
J	99·5	90·5	310	89·8	..	115	95	88	119

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.


Index of industrial production
1975=100, seasonally adjusted
All industries
Monthly figures
Three month averages
Manufacturing industry
Monthly figures
Three month averages
Market sectors
Intermediate goods industries
Consumer goods industries
Investment goods industries
1976
1977
1978
1979
1980
1981

Index numbers of output at constant factor cost

Seasonally adjusted

1975 = 100

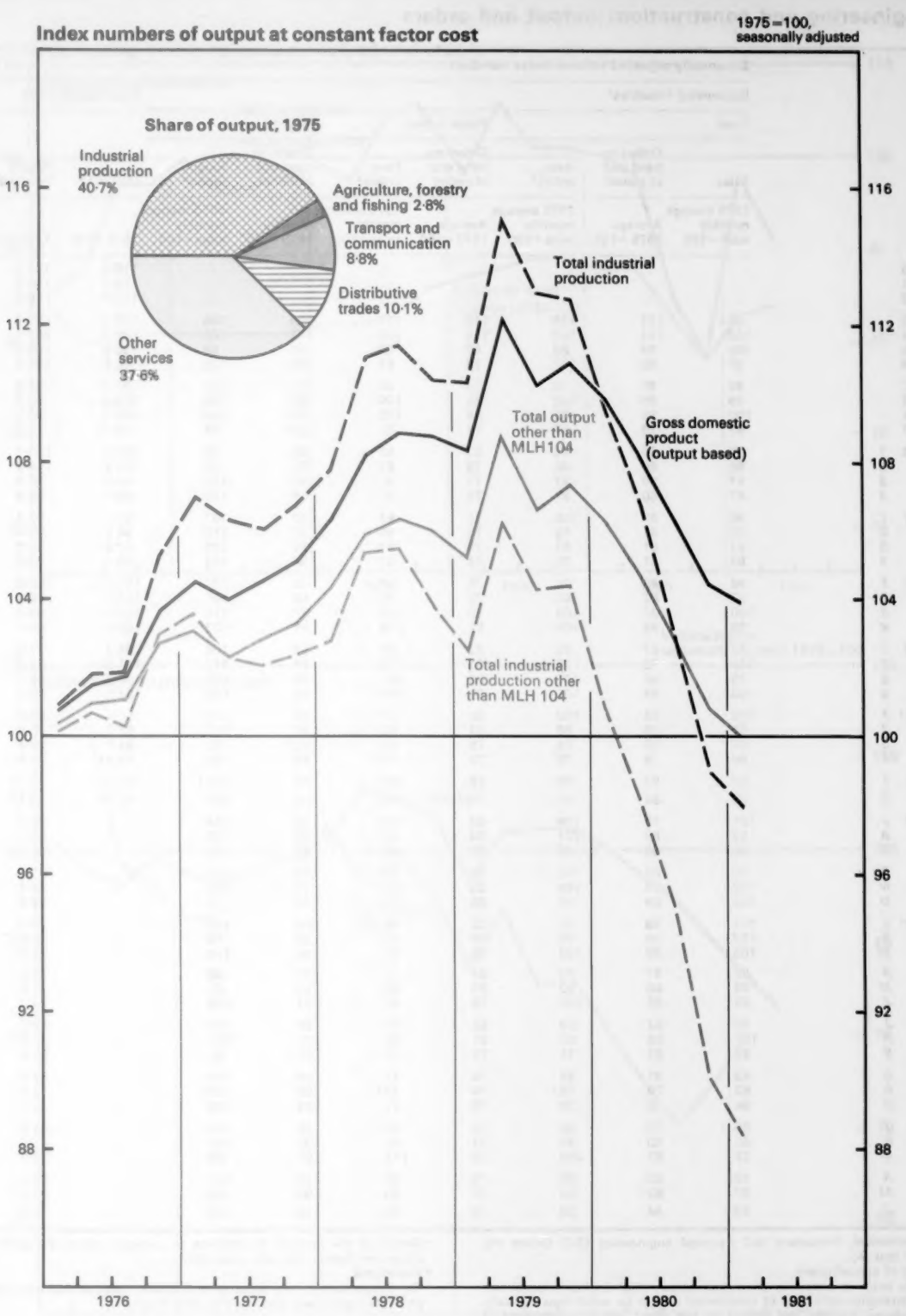
	Gross domestic product[1] §	Total output other than MLH 104[1,2]	Agriculture, forestry and fishing	Industrial production			Transport and communication	Distributive trades	Other
				Total[1] §	Total other than MLH 104[1,2]	Manufacturing[1]			
1975 weights	*1,000*	*999·9*	*28*	*407*	*406·6*	*283*	*88*	*101*	*376*
1970	93·8	93·8	96·3	100·0	99·9	98·4	86·9	94·6	88·4
1971	95·2	95·1	101·4	99·7	99·6	97·3	89·2	96·1	91·0
1972	98·1	98·0	104·7	101·7	101·5	99·7	93·5	100·9	94·2
1973	103·8	103·7	107·1	109·8	109·6	108·8	100·6	106·8	97·0
1974	102·0	102·0	108·4	105·7	105·8	107·5	100·9	103·4	97·3
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	101·9	101·3	92·0	102·4	101·1	102·0	99·0	100·8	102·9
1977	104·5	102·9	103·6	106·5	102·6	103·9	101·8	99·9	104·2
1978	108·0	105·6	112·0	110·2	104·4	104·4	104·7	105·3	106·8
1979	110·4	107·0	110·6	112·8	104·5	104·5	110·3	110·4	107·8
1980	107·1	103·7	120·0	104·6	96·0	94·3	109·4	108·8	108·0
1976 *1*	100·7	100·4	93	100·9	100·2	100·0	98	100	102
2	101·5	101·0	90	101·8	100·7	101·7	98	101	103
3	101·7	101·1	90	101·7	100·3	102·0	99	101	103
4	103·6	102·7	95	105·3	103·0	104·4	101	101	104
1977 *1*	104·5	103·1	100	107·0	103·6	105·6	103	100	104
2	103·9	102·3	103	106·3	102·3	103·6	100	98	104
3	104·5	102·8	105	106·1	102·1	103·1	102	100	105
4	105·1	103·3	107	106·7	102·4	103·3	102	101	105
1978 *1*	106·3	104·3	110	107·7	102·8	103·1	103	103	106
2	108·2	105·9	113	111·1	105·4	105·2	105	105	106
3	108·8	106·4	113	111·4	105·5	105·4	104	107	107
4	108·7	106·0	112	110·4	103·8	103·7	107	107	108
1979 *1*	108·3	105·2	110	110·3	102·5	102·5	104	108	107
2	112·2	108·8	109	115·1	106·6	107·4	112	115	109
3	110·2	106·6	110	113·0	104·3	103·7	113	108	107
4	110·8	107·4	113	112·7	104·4	104·3	112	111	108
1980 *1*	109·8	106·3	117	109·5	100·8	99·7	111	112	109
2	108·1	104·7	121	106·6	98·2	97·1	110	109	108
3	106·2	102·9	122	103·2	95·0	93·2	109	107	107
4	104·4	100·8	120	99·0	90·1	87·3	108	106	108
1981 *1*	103·8	100·0	119	97·8	88·4	86·5	107	110	107
2									

Percentage change, quarter on corresponding quarter of previous year

1978 *1*	*+1·7*	*+1·1*	*+10*	*+0·7*	*−0·7*	*−2·3*	*+1*	*+3*	*+2*
2	*+4·1*	*+3·5*	*+10*	*+4·5*	*+3·1*	*+1·5*	*+4*	*+7*	*+3*
3	*+4·1*	*+3·5*	*+8*	*+5·0*	*+3·4*	*+2·2*	*+3*	*+7*	*+3*
4	*+3·4*	*+2·6*	*+5*	*+3·5*	*+1·4*	*+0·4*	*+4*	*+5*	*+3*
1979 *1*	*+2·0*	*+0·9*	*+1*	*+2·4*	*−0·3*	*−0·6*	*+1*	*+4*	*+1*
2	*+3·8*	*+2·8*	*−3*	*+3·6*	*+1·2*	*+2·1*	*+7*	*+10*	*+2*
3	*+1·3*	*+0·2*	*−3*	*+1·5*	*−1·2*	*−1·7*	*+8*	*+1*	*—*
4	*+1·9*	*+1·3*	*+1*	*+2·0*	*+0·6*	*+0·6*	*+5*	*+4*	*+1*
1980 *1*	*+1·4*	*+1·0*	*+7*	*−0·7*	*−1·6*	*−2·8*	*+6*	*+4*	*+1*
2	*−3·7*	*−3·8*	*+11*	*−7·3*	*−7·9*	*−9·6*	*−2*	*−5*	*−1*
3	*−3·6*	*−3·5*	*+11*	*−8·7*	*−8·9*	*−10·1*	*−4*	*−1*	*—*
4	*−5·7*	*−6·1*	*+ 6*	*−12·1*	*−13·7*	*−16·3*	*−4*	*−4*	*−1*
1981 *1*	*−5·4*	*−5·9*	*+1*	*−10·7*	*−12·3*	*−13·2*	*−3*	*−2*	*−2*
2									

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.


Index numbers of output at constant factor cost
1975=100, seasonally adjusted
Share of output, 1975
Industrial production 40·7%
Agriculture, forestry and fishing 2·8%
Transport and communication 8·8%
Distributive trades 10·1%
Other services 37·6%
Total industrial production
Gross domestic product (output based)
Total output other than MLH104
Total industrial production other than MLH 104
116
112
108
104
100
96
92
88
1976
1977
1978
1979
1980
1981

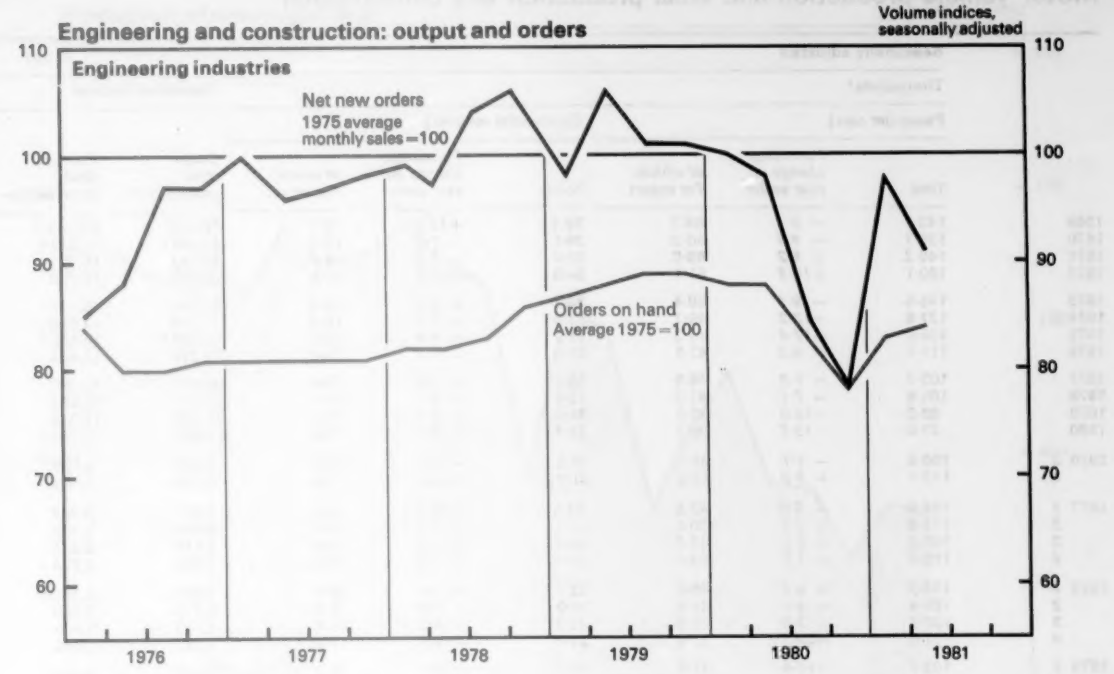
Engineering and construction: output and orders

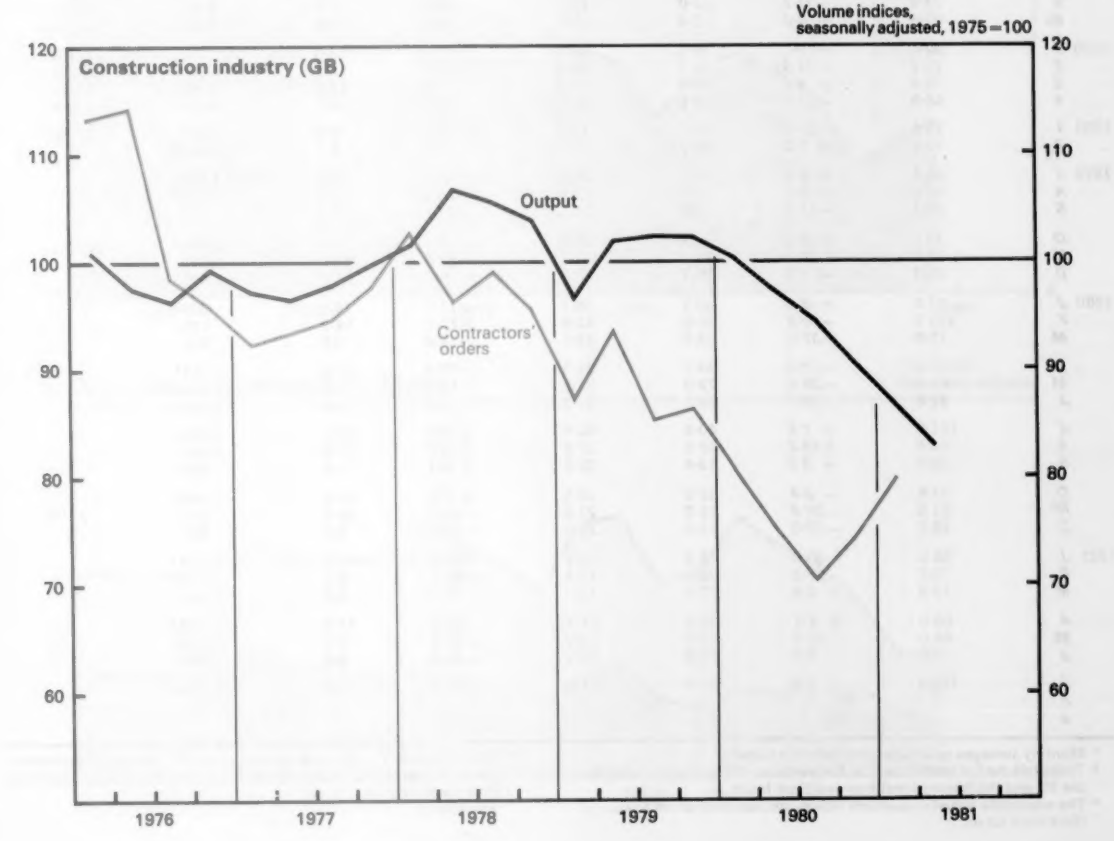
Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received[5]
		1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	1975 =100	1975 =100
1970		..	..	..	..	..	..	..	115·2	131·1
1971		..	..	..	..	..	..	..	116·2	139·2
1972		..	..	..	..	..	..	..	117·4	146·3
1973		98	113	116	119	121	100	105	118·1	141·4
1974		102	114	103	115	102	112	106	106·0	101·1
1975		100	88	83	87	83	89	84	100·0	100·0
1976		97	80	92	74	87	93	103	98·5	105·5
1977		97	81	98	74	93	96	108	97·9	94·6
1978		99	86	102	81	100	96	105	104·4	98·5
1979		100	89	102	85	100	96	106	100·7	88·1
1980		97	78	90	73	87	89†	98	95·7†	75·2
1976	1	95	84	85	83	83	85	89	100·9	113·2
	2	98	80	88	79	87	82	91	97·6	114·2
	3	97	80	97	77	91	87	112	96·2	98·6
	4	97	80	97	74	87	93	120	99·4	95·9
1977	1	98	81	100	74	97	95	107	97·1	92·4
	2	96	81	96	73	89	97	113	96·5	93·4
	3	97	81	97	73	93	96	106	97·9	94·8
	4	96	81	98	74	94	96	108	99·9	97·8
1978	1	98	82	99	75	97	96	104	101·7	102·8
	2	97	82	97	75	96	94	101	106·8	96·2
	3	100	83	104	76	100	97	114	105·5	99·2
	4	99	86	106	81	108	96	102	103·8	95·8
1979	1	97	87	98	82	95	98	106	96·4	87·0
	2	105	88	106	83	104	98	112	101·9	93·9
	3	98	89	101	85	101	98	102	102·3	85·2
	4	102	89	101	85	101	96	103	102·2	86·4
1980[6]	1	102	88	100	85	97	95	106	100·4	80·9
	2	99	88	98	83	92	97	111	97·2	75·4
	3	97	83	85	78	82	93†	92	94·7	70·4
	4	90	78	78	73	74†	89	86	90·4†	74·3
1981	1	87	83	98	78	96	93	103†	86·7	79·7†
	2	89	84	91	78	86	95	101	82·9[6]	75·5[6]
1979	J	101	88	106	84	107	97	104	..	94·6
	A	97	89	101	84	98	98	109	..	84·9
	S	95	89	96	85	96	98	94	..	76·2
	O	98	89	101	85	97	98	110	..	91·6
	N	106	90	108	86	111	97	101	..	84·7
	D	103	89	95	85	94	96	97	..	82·8
1980[6]	J	101	88	97	85	93	96	105	..	79·3
	F	102	88	99	84	99	95	99	..	83·8
	M	103	88	104	85	99	95	114	..	79·6
	A	99	87	93	84	91	94	98	..	79·8
	M	99	86	93	83	92	93	97	..	71·6
	J	98	88	108	83	95	97	139	..	74·7
	J	95	87	89	82	87	96	94	..	72·1
	A	101	86	93	81	89	95	102	..	66·5
	S	95	83	74	78	70	93†	83	..	72·5
	O	93	81	76	76	72	90	84	..	67·5
	N	93	79	78†	74	73†	89	90†	..	72·9
	D	84	78	79	73	77	89	84	..	82·2
1981	J	85	79	92	74	90	89	96	..	84·8
	F	88	80	94	74	85	92	115	..	81·4
	M	87	83	109	78	114	93	98	..	72·8
	A	90	83	90	78	86	93	101	..	66·2
	M	87	83†	84	77	83	93	88		80·3[6]
	J	89	84	98	78	90	95	115		79·9[6]

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.
[6] The discontinuity in the series arose because a register with more up to date information was used for the June inquiry.

Engineering and construction: output and orders

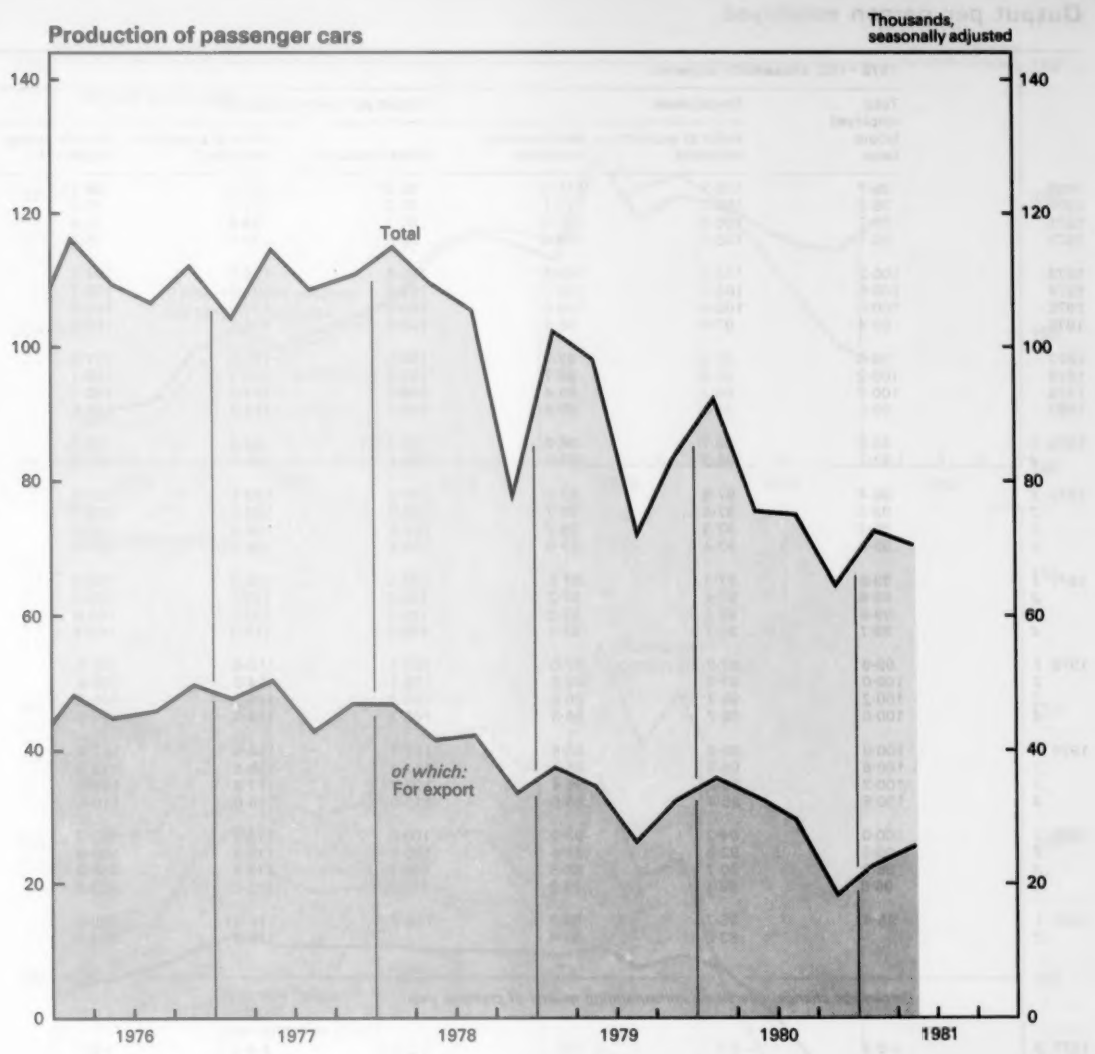


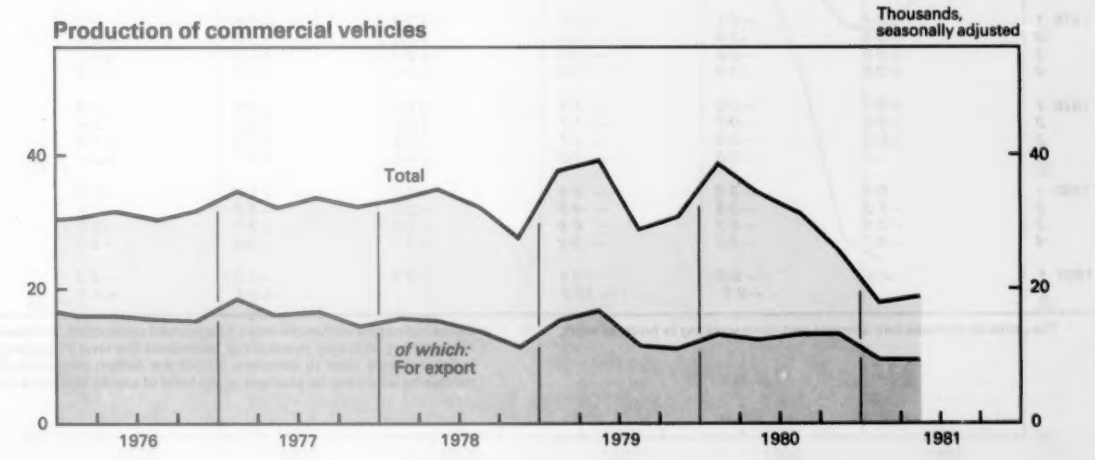


Motor vehicle production and steel production and consumption

		Seasonally adjusted							
		Thousands[1]						Thousand tonnes	
		Passenger cars§			Commercial vehicles§				
		Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1969		143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970		136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971		145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972		160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,750
1973		145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974		127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975		105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,448[4]
1976		111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977		109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978		101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,593
1979		89·2	*−12·5*	32·7	34·0	*+ 6·1*	13·5	21,412	15,322
1980		77·0	*−13·7*	29·1	32·4	*− 4·7*	13·0	11,387	12,580[7]
1976	*3*	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
	4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977	*1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
	2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
	3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
	4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978	*1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,210
	2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,950
	3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3,910
	4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,500
1979	*1*	102·7	*−10·6*	37·6	37·7	*+13·5*	15·2	4,954	3,640
	2	98·1	*−10·4*	34·9	39·0	*+11·4*	16·3	5,720	3,910
	3	72·2	*−31·7*	26·0	28·9	*−10·5*	11·7	5,485	3,750
	4	83·8	*+ 8·0*	32·4	30·5	*+ 9·9*	11·0	5,252	3,930
1980	*1*	92·4	*−10·1*	35·9	38·5	*+ 2·1*	13·0	764	3,020
	2	75·7	*−22·8*	33·1	34·3	*−11·9*	12·2	4,098	3,430
	3	75·4	*+ 4·4*	29·5	31·5	*+ 8·8*	13·4	3,498	3,150
	4	64·5	*−23·1*	18·1	25·4	*−16·7*	13·5	3,027	2,980
1981	*1*	72·4	*−21·7*	23·1	17·6	*−54·2*	9·4	3,585	3,010[7]
	2	70·6	*− 6·6*	25·7	18·2	*−47·0*	9·2	3,892†	
1979	*J*	99·6	*+ 4·1*	34·1	39·6	*+18·1*	14·5	1,804	..
	A	56·9	*−50·4*	23·2	22·9	*−26·8*	10·2	1,871[6]	..
	S	60·2	*−43·6*	20·5	24·3	*−24·4*	10·3	1,810	..
	O	76·5	*− 8·3*	25·4	26·5	*+ 0·9*	10·1	2,098[6]	..
	N	84·6	*+54·3*	36·2	32·4	*+32·5*	11·6	1,668	..
	D	90·3	*− 4·6*	35·7	32·6	*+ 0·2*	11·3	1,486	..
1980	*J*	97·9	*+ 5·5*	40·1	38·7	*+11·7*	14·9	325[6]	..
	F	103·7	*− 0·9*	39·0	43·6	*+15·1*	14·2	125	..
	M	75·5	*−31·9*	28·5	33·1	*−18·4*	9·8	334	..
	A	79·6	*−21·9*	34·1	34·7	*−17·2*	12·2	1,164[6]	..
	M	64·8	*−28·6*	29·0	31·2	*−15·7*	11·2	1,408	..
	J	82·6	*−18·7*	36·1	37·2	*− 2·5*	13·4	1,526	..
	J	101·5	*+ 1·9*	40·4	40·5	*+ 2·2*	15·7	1,634[6]	..
	A	64·5	*+13·2*	28·6	27·4	*+19·7*	12·9	1,056	..
	S	60·3	*+ 0·3*	19·4	26·5	*+ 9·1*	11·6	808	..
	O	74·6	*− 2·4*	22·3	28·5	*+ 7·5*	14·7	1,065[6]	..
	N	61·9	*−26·8*	16·7	27·8	*−14·3*	16·1	977	..
	D	56·9	*−37·0*	15·4	20·0	*−38·7*	9·7	985	..
1981	*J*	68·0	*−30·5*	16·8	18·7	*−51·7*	10·4	1,177[6]	..
	F	75·7	*−27·0*	23·1	17·4	*−60·1*	9·0	1,219	..
	M	73·3	*− 2·8*	29·5	16·7	*−49·5*	8·9	1,189	..
	A	86·0	*+ 8·1*	33·2	21·4	*−38·3*	11·0	1,470[6]	..
	M	46·0	*−29·1*	16·5	14·0	*−55·0*	7·3	1,128†	..
	J	79·9	*− 3·2*	27·5	19·2	*−48·4*	9·4	1,294	..
	J	104·1	*+ 2·6*	32·6	21·5	*−47·0*	9·6	1,656[6,7]	..
	A								..
	S								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[6] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.
[7] Provisional.


Production of passenger cars
Thousands, seasonally adjusted
140
120
100
80
60
40
20
0
Total
of which:
For export
1976
1977
1978
1979
1980
1981


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which:
For export
1976
1977
1978
1979
1980
1981

Output per person employed

1975 =100, seasonally adjusted

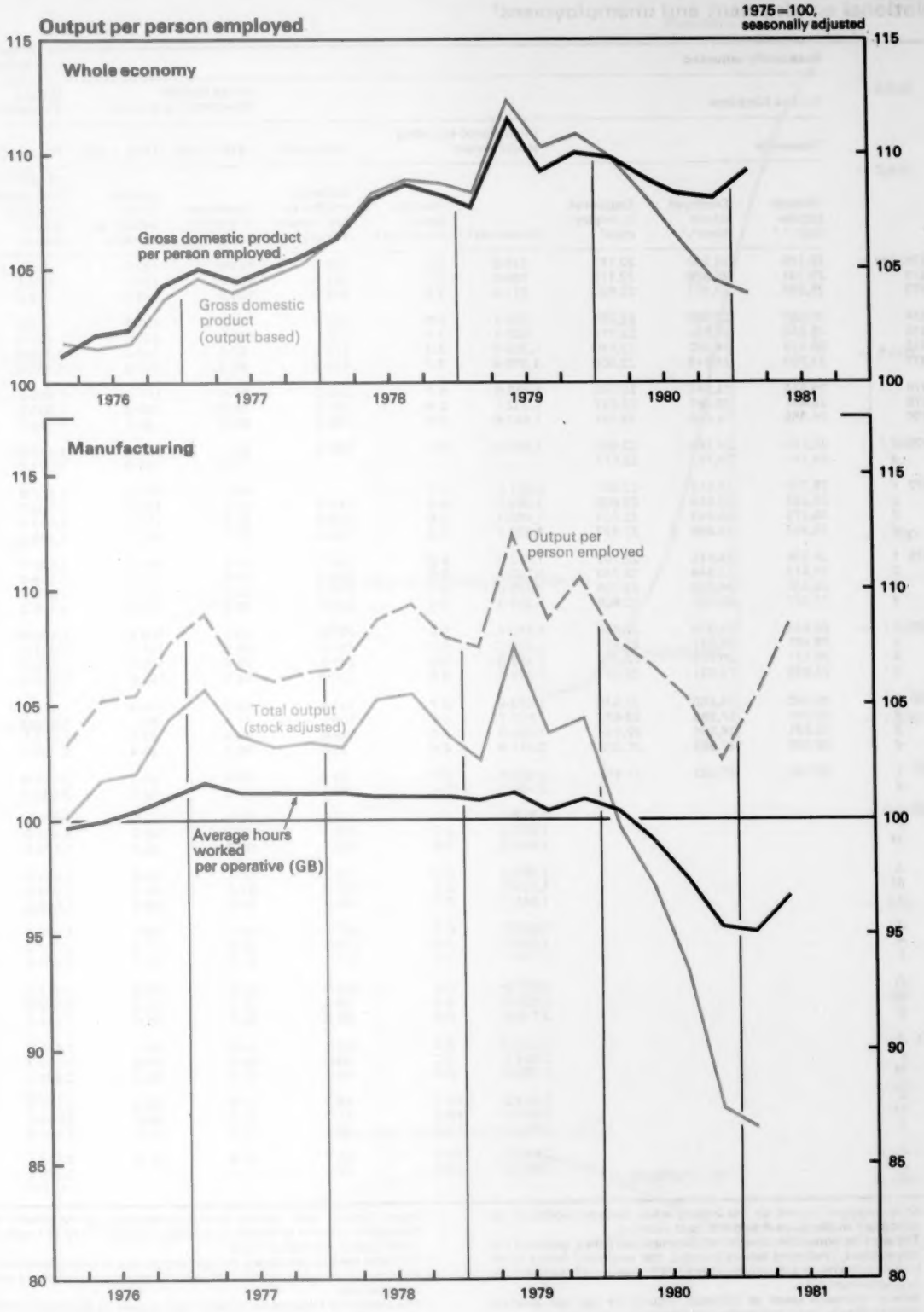
	Employment			Output per person employed[1]		
	Total employed labour force	Index of production industries	Manufacturing industries	Whole economy	Index of production industries[2]	Manufacturing industries[2]
1969	99·7	110·3	111·3	92·2†	90·5	88·1†
1970	99·3	108·7	111·1	94·2	91·9	88·6
1971	97·7	105·4	107·5	97·1	94·5	90·6
1972	98·1	103·1	104·0	99·8	98·6	95·8
1973	100·2	104·5	104·5	103·4	105·0	104·1
1974	100·6	104·1	104·7	101·3	101·6	102·7
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·4	97·5	96·9	102·6	105·1	105·3
1977	99·6	97·3	97·2	105·0	109·5	107·0
1978	100·2	96·9	96·7	107·8	113·7	108·1
1979	100·6	96·1	95·4	109·6	117·4	109·7
1980	98·6	91·5	89·8	108·7	114·7	105·5
1975 *3*	99·9	99·1	98·9	99·2	99·0	98·7
4	99·7	98·3	97·7	100·1	101·2	101·2
1976 *1*	99·4	97·8	97·0	101·2	103·1	103·2
2	99·3	97·4	96·7	102·2	104·5	105·1
3	99·3	97·3	96·7	102·4	104·5	105·3
4	99·4	97·4	97·0	104·4	108·2	107·6
1977 *1*	99·5	97·3	97·1	105·0	109·9	108·9
2	99·6	97·4	97·2	104·4	109·1	106·5
3	99·6	97·2	97·2	105·0	109·1	106·0
4	99·7	97·1	97·1	105·5	110·0	106·4
1978 *1*	99·9	97·2	97·0	106·3	110·8	106·5
2	100·0	97·0	96·8	108·1	114·5	108·6
3	100·2	96·7	96·5	108·6	115·2	109·2
4	100·5	96·7	96·3	108·3	114·4	107·9
1979 *1*	100·6	96·4	95·9	107·7	114·6	107·4
2	100·6	96·3	95·7	111·4	119·6	112·3
3	100·7	96·2	95·4	109·2	117·3	108·6
4	100·5	95·4	94·5	110·0	118·0	110·5
1980 *1*	100·0	94·2	93·2	109·8	116·8	107·7
2	99·3	92·8	91·4	108·8	115·1	106·6
3	98·2	90·7	88·8	108·2	113·9	105·2
4	96·8	88·1	85·8	108·1	113·0	102·5
1981 *1*	95·4	85·7	83·3	109·3	115·3†	105·2
2		83·8	81·4		117·5	108·4

Percentage change, quarter on corresponding quarter of previous year

1977 *3*	*+0·3*	*−0·1*	*+ 0·5*	*+2·5†*	*+4·4*	*+0·7*
4	*+0·3*	*−0·3*	*+ 0·1*	*+1·1*	*+1·7*	*−1·1*
1978 *1*	*+0·4*	*−0·1*	*− 0·1*	*+1·2*	*+0·8*	*− 2 2*
2	*+0·4*	*−0·4*	*− 0·4*	*+3·5*	*+5·0*	*+2·0*
3	*+0·6*	*−0·5*	*− 0·7*	*+3·4*	*+5·6*	*+3·0*
4	*+0·8*	*−0·4*	*− 0·8*	*+2·7*	*+4·0*	*+1·4*
1979 *1*	*+0·7*	*−0·8*	*− 1·1*	*+1·3*	*+3·4*	*+0·8*
2	*+0·6*	*−0·7*	*− 1·1*	*+3·1*	*+4·5*	*+3·4*
3	*+0·5*	*−0·5*	*− 1·1*	*+0·6*	*+1·8*	*−0·6*
4	—	*−1·3*	*− 1·9*	*+1·6*	*+3·1*	*+2·4*
1980 *1*	*−0·6*	*−2·3*	*− 2·8*	*+2·0*	*+1·9*	*+0·3*
2	*−1·3*	*−3·6*	*− 4·5*	*−2·3*	*−3·8*	*−5·1*
3	*−2·5*	*−5·7*	*− 6·9*	*−0·9*	*−2·9*	*−3·1*
4	*−3·7*	*−7·7*	*− 9·2*	*−1·7*	*−4·2*	*−7·2*
1981 *1*	*−4·6*	*−9·0*	*−10·6*	*−0·5*	*−1·3†*	*−2·3*
2		*−9·7*	*−10·9*		*+2·1*	*+1·7*

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


Output per person employed
1975=100, seasonally adjusted
Whole economy
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing
Output per person employed
Total output (stock adjusted)
Average hours worked per operative (GB)
115
110
105
100
95
90
85
80
1976
1977
1978
1979
1980
1981

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2,3,4]	Employed labour force[2,3]	Employees in employment[3]	Thousands[4,6]	Percentage of employees[5,6]	Vacancies notified to employment offices§[6]	Employees in employment	Average hours worked per operative	Total unemployed including school leavers[4]
1971	25,165	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·9†	102·1	875·6
1973	25,599	24,971	22,663	611·0	*2·6*	307·0	104·5	104·0	618·8
1974	25,652	25,060	22,790	599·7	*2·6*	301·6	104·7	101·1	614·9
1975	25,844	24,933	22,711	929·1	*3·9*	148·1	100·0	100·0	977·6
1976	26,129	24,762	22,540	1,269·3	*5·3*	119·7	96·8	100·3	1,358·8
1977	26,299	24,819	22,606	1,376·8	*5·7*	155·9	97·2	101·3	1,483·6
1978	26,414	24,944	22,740	1,375·6	*5·7*	210·3	96·8	101·0	1,475·0
1979	26,461	25,097	22,897	1,302·1	*5·4*	241·3	95·4	100·8	1,390·5
1980	26,355	24,696	22,487	1,647·6	*6·8*	143·0	89·8	98·1	1,794·7
1976 *3*	26,154	24,764	22,540	1,290·6	*5·4*	126·2	96·7	100·4	1,473·7
4	26,191	24,797	22,577	..	..	..	97·0	101·0	1,371·5
1977 *1*	26,208	24,813	22,597	1,331·5	*5·5*	..	97·1	101·6	1,417·8
2	26,299	24,819	22,606	1,352·5	*5·6*	153·0	97·3	101·2	1,394·7
3	26,379	24,843	22,629	1,400·1	*5·8*	154·7	97·3	101·2	1,622·4
4	26,357	24,848	22,638	1,423·1	*5·9*	164·3	97·1	101·2	1,499·4
1978 *1*	26,398	24,916	22,709	1,412·7	*5·8*	186·7	97·1	101·2	1,506·1
2	26,414	24,944	22,740	1,390·9	*5·8*	204·2	96·9	101·0	1,428·2
3	26,436	24,992	22,786	1,365·0	*5·7*	216·3	96·6	101·0	1,570·6
4	26,487	25,092	22,889	1,333·9	*5·4*	234·0	96·3	101·0	1,395·3
1979 *1*	26,493	25,070	22,869	1,349·4	*5·6*	233·6	96·0	100·8	1,436·5
2	26,461	25,097	22,897	1,305·2	*5·4*	252·2	95·8	101·2	1,327·9
3	26,421	25,101	22,896	1,266·8	*5·2*	249·1	95·4	100·4	1,438·0
4	26,399	25,031	22,826	1,287·1	*5·3*	230·3	94·5	100·9	1,359·4
1980 *1*	26,362	24,885	22,678	1,373·9	*5·7*	194·6	93·2	100·4	1,479·2
2	26,355	24,696	22,487	1,497·7	*6·2*	159·2	91·5	99·1	1,563·9
3	26,331	24,384	22,166	1,699·0	*7·0*	119·8	88·8	97·5	1,979·1
4	26,248	23,989	21,769	2,019·8	*8·4*	98·3	85·6	95·4	2,156·7
1981 *1*	26,168	23,683	21,463	2,304·4	*9·5*	99·6	83·3	95·1	2,455·8
2				2,506·4	*10·4*	89·5	81·3	96·7	2,588·0
1980 *J*	..	..	..	1,334·0	*5·5*	207·5	93·8	100·9	1,470·6
F	..	..	..	1,376·8	*5·7*	193·4	93·2	100·5	1,488·9
M	..	..	..	1,411·0	*5·8*	182·8	92·7	99·8	1,478·0
A	..	..	..	1,456·2	*6·0*	170·2	92·1	99·2	1,522·9
M	..	..	..	1,495·3	*6·2*	162·2	91·5	99·2	1,509·2
J	..	..	..	1,541·7	*6·4*	145·3	90·9	98·9	1,659·7
J	..	..	..	1,609·2	*6·7*	127·9	89·7	98·0	1,896·6
A	..	..	..	1,696·8	*7·0*	120·5	88·8	97·6	2,001·2
S	..	..	..	1,791·1	*7·4*	111·1	87·8	97·0	2,039·5
O	..	..	..	1,892·9	*7·8*	100·0	86·6	95·9	2,062·9
N	..	..	..	2,030·0	*8·4*	96·2	85·5	95·3	2,162·9
D	..	..	..	2,136·6	*8·8*	98·8	84·6	95·0	2,244·2
1981 *J*	..	..	..	2,228·3	*9·2*	103·6	84·0	95·1	2,419·5
F	..	..	..	2,304·1	*9·5*	98·2	83·2	95·0	2,463·3
M	..	..	..	2,380·8	*9·8*	96·9	82·5	95·2	2,484·7
A	..	..	..	2,452·3	*10·1*	94·3	81·9	96·3	2,525·2
M	..	..	..	2,514·6	*10·4*	91·7	81·3	96·6	2,558·4
J	..	..	..	2,552·3	*10·6*	82·5	80·6	97·3	2,680·5
J	..	..	..	2,582·3	*10·7*	91·7	80·0	97·6	2,852·1
A	..	..	..	2,626·4	*10·9*	98·4			2,940·5
S	..	..	..						

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

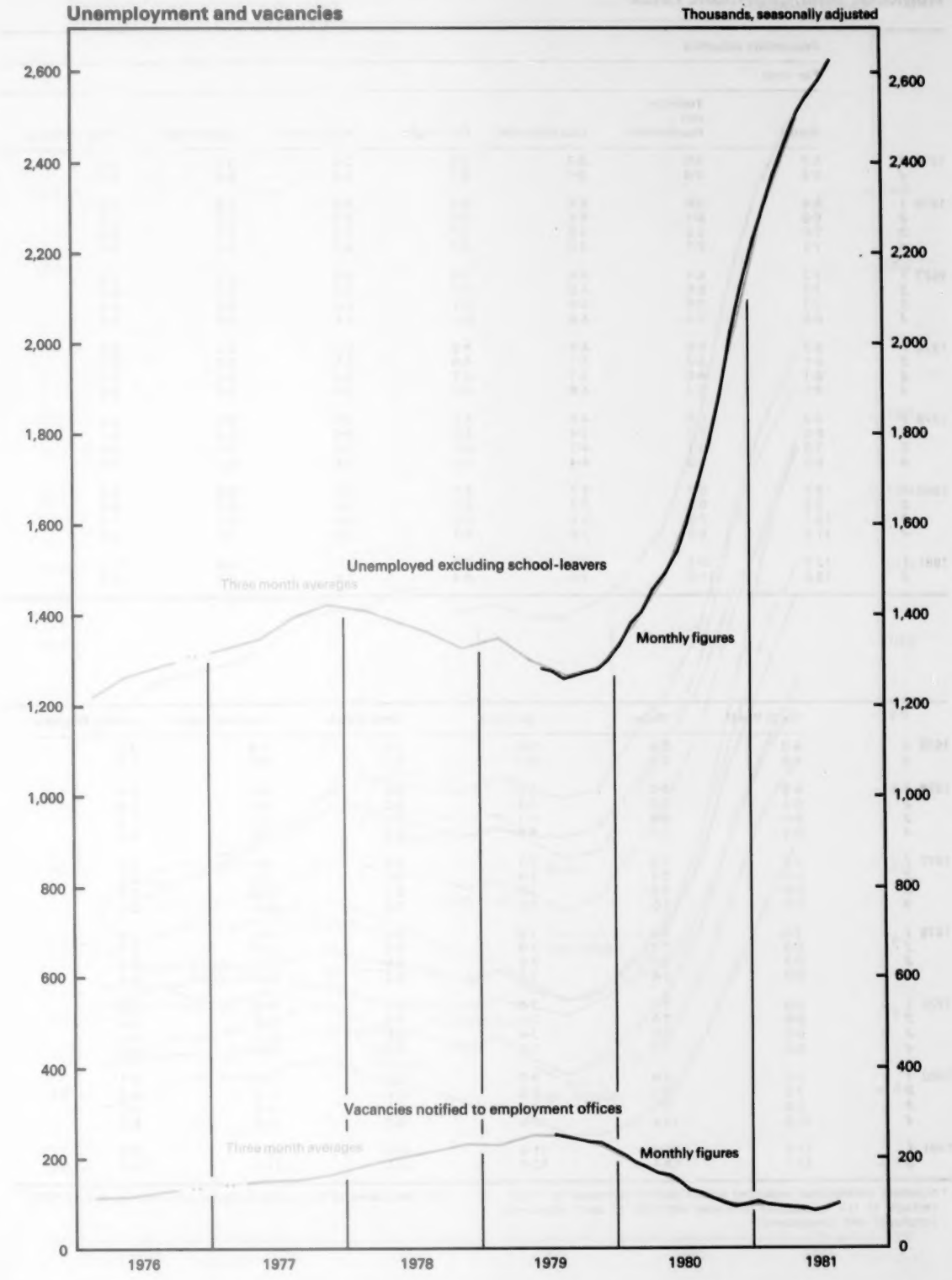
[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] The seasonally adjusted series have been revised as described in the March 1981 *Employment Gazette*.

Unemployment and vacancies



Regional unemployment rates[1]

	Seasonally adjusted						
	Per cent						
	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1975 *3*	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	7·1	5·1	4·5	4·7	4·2	6·3	5·2
1977 *1*	7·2	5·1	4·5	4·8	4·2	6·2	5·2
2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·5	4·8	5·1	4·4	6·5	5·4
4	8·0	5·6	4·8	5·1	4·4	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·4	5·2
2	8·1	5·6	4·7	4·8	4·1	6·2	5·2
3	8·1	5·5	4·7	4·7	4·0	6·0	5·1
4	8·1	5·4	4·6	4·5	3·8	5·8	5·0
1979 *1*	8·2	5·5	4·6	4·7	3·8	5·7	5·2
2	8·0	5·3	4·4	4·3	3·6	5·4	5·1
3	7·9	5·1	4·2	4·1	3·4	5·2	5·0
4	8·0	5·3	4·4	4·1	3·4	5·2	5·2
1980 *1*	8·7	5·7	4·7	4·4	3·6	5·3	5·6
2	9·3	6·3	5·3	4·7	3·9	5·7	6·2
3	10·1	7·3	6·2	5·5	4·6	6·4	7·4
4	11·5	8·8	7·5	6·7	5·6	7·5	9·3
1981 *1*	12·9	10·1	8·6	7·8	6·5	8·5	11·2
2	13·8	11·0	9·5	8·4	7·4	9·2	12·6

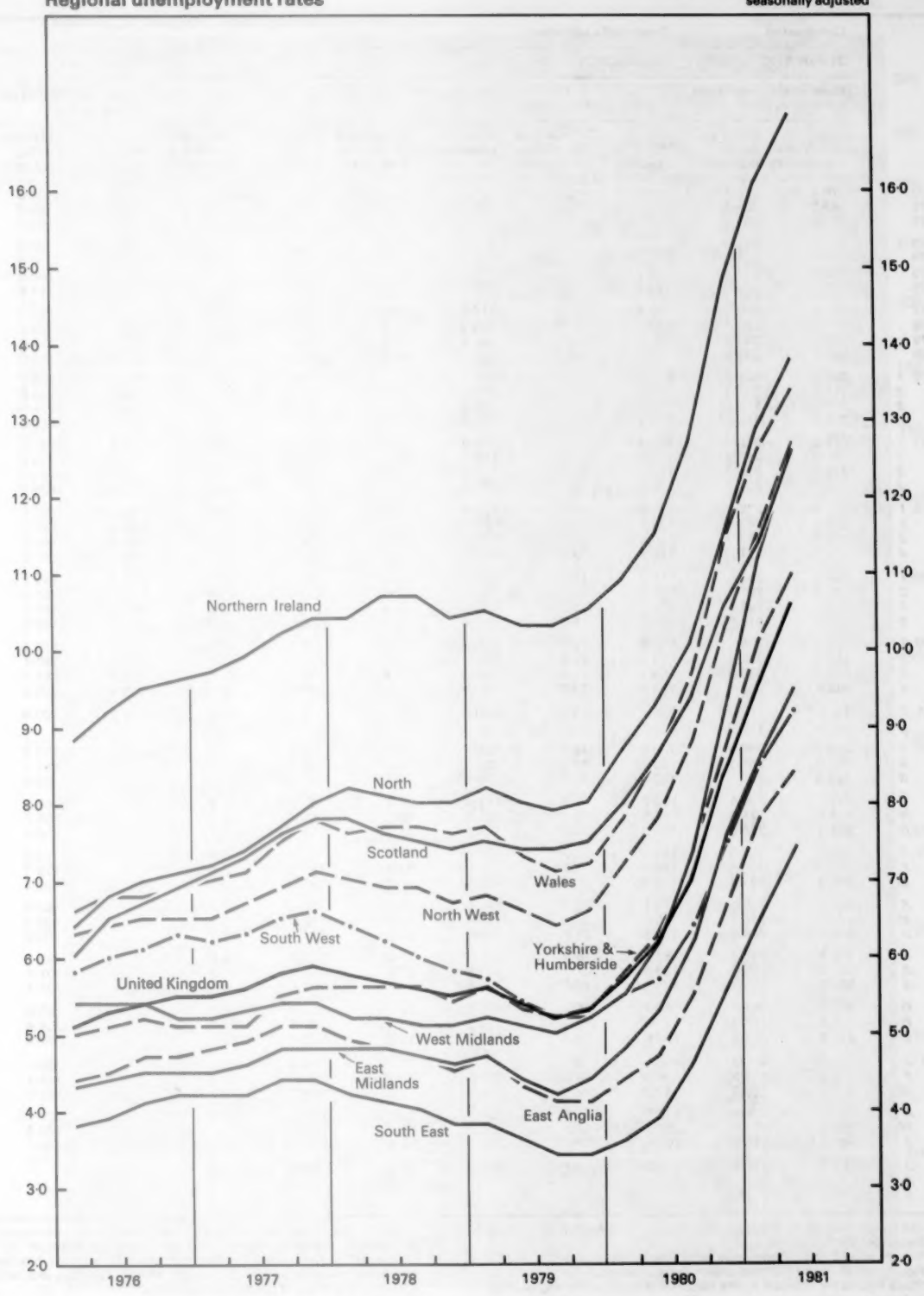
	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1975 *3*	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	6·5	6·9	6·9	5·4	9·6	5·5
1977 *1*	6·5	7·0	7·1	5·4	9·7	5·5
2	6·7	7·1	7·3	5·5	9·9	5·6
3	6·9	7·5	7·6	5·7	10·2	5·8
4	7·1	7·8	7·8	5·8	10·4	5·9
1978 *1*	7·0	7·6	7·8	5·7	10·4	5·8
2	6·9	7·7	7·6	5·6	10·7	5·7
3	6·9	7·7	7·5	5·5	10·7	5·6
4	6·7	7·6	7·4	5·4	10·4	5·5
1979 *1*	6·8	7·7	7·5	5·4	10·5	5·6
2	6·6	7·3	7·4	5·3	10·3	5·4
3	6·4	7·1	7·4	5·1	10·3	5·2
4	6·6	7·2	7·5	5·2	10·5	5·3
1980 *1*	7·2	7·8	8·0	5·6	10·9	5·7
2	7·8	8·6	8·6	6·1	11·5	6·2
3	8·8	9·7	9·4	6·9	12·7	7·0
4	10·3	11·4	10·6	8·2	14·8	8·4
1981 *1*	11·5	12·6	11·4	9·4	16·1	9·5
2	12·7	13·4	12·6	10·4	17·0	10·6

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The boundaries of the standard regions were revised in April 1974.

Regional unemployment rates

Percentage rates, seasonally adjusted



Wage rates and earnings

	Unadjusted		Seasonally adjusted[1]							
	31 July 1972 = 100[2]		January 1976 = 100						1975 = 100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Index of production industries	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1970	78·8	79·4	..	..	..	..	..	..	50·0	51·8
1971	89·0	89·3	..	..	..	..	..	..	54·5	56·6
1972	101·3	101·5	..	..	..	..	..	..	59·3	59·1
1973	115·2	114·6	..	..	..	..	..	..	63·1	62·3
1974	138·0	134·3	..	..	..	..	..	..	78·2	76·9
1975	178·7	174·4	..	..	..	..	..	..	100·0	100·0
1976	213·2	209·0	106·1	..	106·3	..	106·2	..	109·7	111·8
1977	227·3	218·9	115·6	*9·0*	117·2	*10·3*	117·1	*10·2*	119·0	122·7
1978	259·3	258·8	130·6	*13·0*	134·3	*14·6*	134·0	*14·5*	131·7	139·2
1979	298·1	297·5	150·8	*15·5*	154·9	*15·3*	154·8	*15·5*	151·3	158·9
1980	351·7	348·5	182·1	*20·7*	183·9	*18·8*	182·5	*17·9*	180·6	195·0
1976 *1*	204·2	201·5	101·6	..	101·7	..	101·4	..	105·5	108·7
2	211·5	209·0	104·6	..	104·3	..	104·4	..	108·8	109·6
3	217·8	212·5	107·8	..	108·3	..	108·4	..	111·7	114·0
4	219·3	213·1	110·2	..	110·7	..	110·7	..	112·5	115·0
1977 *1*	223·3	215·7	112·4	*10·7*	113·8	*12·0*	113·4	*11·9*	115·2	117·0
2	225·9	217·9	113·9	*8·8*	115·0	*10·2*	114·8	*9·9*	116·3	120·8
3	228·7	220·2	116·3	*7·8*	117·7	*8·6*	117·7	*8·6*	121·2	124·2
4	231·2	221·7	120·0	*8·9*	122·3	*10·5*	122·5	*10·6*	123·3	128·9
1978 *1*	237·8	226·1	123·8	*10·2*	126·6	*11·2*	126·8	*11·8*	126·7	132·4
2	260·6	263·9	129·2	*13·5*	132·9	*15·6*	132·4	*15·3*	129·1	136·7
3	265·8	267·9	133·0	*14·4*	136·7	*16·2*	136·2	*15·7*	134·2	140·3
4	273·0	277·5	136·5	*13·8*	141·0	*15·3*	140·7	*14·9*	136·7	147·4
1979 *1*	284·9	284·5	141·0	*13·9*	145·1	*14·6*	145·4	*14·7*	143·2	151·2
2	292·2	291·3	146·6	*13·4*	152·1	*14·5*	152·7	*15·4*	145·6	153·6
3	299·9	296·4	153·9	*15·7*	155·9	*14·0*	155·0	*13·8*	156·6	161·7
4	315·3	318·0	161·8	*18·5*	166·4	*18·0*	166·2	*18·1*	159·7	169·0
1980 *1*	334·9	336·5	168·8	*19·7*	172·4	*18·8*	170·6	*17·3*	167·3	178·7
2	348·3	345·3	178·0	*21·4*	180·8	*18·8*	179·9	*17·8*	177·3	191·1
3	357·4	349·9	188·1	*22·2*	189·4	*21·5*	188·3	*21·4*	188·1	201·3
4	366·6	362·3	193·3	*19·5*	193·2	*16·1*	191·3	*15·1*	189·9	206·4
1981 *1*	376·8†	372·2†	196·7	*16·5*	200·0	*16·0*	196·9	*15·4*	191·7	207·8
2	383·4	377·3								
1979 *J*	298·7	294·6	153·9	*16·5*	156·7	*15·8*	157·2	*16·4*	..	158·8
A	300·2	296·7	153·9[3]	*16·4*[3]	155·9[3]	*14·3*[3]	154·0[3]	*13·5*[3]	..	161·4
S	300·8	297·7	153·9[3]	*14·3*[3]	155·1[3]	*12·1*[3]	153·9[3]	*11·7*[3]	..	165·0
O	303·1	298·4	158·8	*16·8*	163·6	*16·4*	163·5	*16·4*	..	166·8
N	319·4	327·3	162·0	*19·1*	166·3	*18·5*	166·0	*18·8*	..	169·7
D	323·4	328·5	164·5[4]	*19·6*[4]	169·2[4]	*19·0*[4]	169·1[4]	*19·1*[4]	..	170·6
1980 *J*	332·9	335·5	164·6[4]	*20·2*[4]	169·0[4]	*19·7*[4]	167·6[4]	*19·0*[4]	..	173·8
F	336·0	336·6	169·0[4]	*18·6*[4]	171·8[4]	*18·4*[4]	170·0[4]	*16·8*[4]	..	178·7
M	336·9	337·4	172·8[4]	*20·3*[4]	176·4[4]	*18·3*[4]	174·1[4]	*16·2*[4]	..	183·4
A	342·2	340·6	175·1	*21·3*	178·0	*19·3*	176·4	*18·2*	..	187·5
M	347·3	346·7	176·7	*21·3*	179·4	*18·7*	178·7	*17·6*	..	190·9
J	355·5	348·6	182·1	*21·7*	184·8	*18·4*	184·5	*17·7*	..	194·7
J	356·8	349·1	183·1	*18·9*	187·8	*19·8*	186·9	*18·9*	..	198·6
A	357·3	350·0	187·3	*21·7*	189·6	*21·6*	188·5	*22·3*	..	201·4
S	358·1	350·7	194·0	*26·1*	190·8	*23·1*	189·4	*23·1*	..	203·7
O	359·5	351·0	190·7	*20·1*	191·3	*16·9*	189·9	*16·2*	..	205·2
N	368·9	367·8	192·6	*18·9*	193·0	*16·1*	191·4	*15·3*	..	206·4
D	371·4	367·9	196·6	*19·5*	195·3	*15·4*	192·6	*13·9*	..	207·6
1981 *J*	375·9†	371·8†	195·3	*18·6*	197·8	*17·0*	194·5	*16·0*	..	208·0
F	376·8	372·3	196·9	*16·5*	200·5	*16·7*	197·6	*16·2*	..	208·1
M	377·8	372·4	197·9	*14·5*	201·7	*14·3*	198·7	*14·1*	..	207·3
A	382·5	375·6	199·5	*13·9*	200·2	*12·5*	197·5	*12·0*	..	207·1†
M	383·5	377·5	200·0	*13·2*	201·3	*12·2*	198·9	*11·3*	..	206·8
J	384·3	378·6	203·9†	*12·0*†	207·5†	*12·3*†	205·2†	*11·2*	..	208·0
J	387·1	378·7	205·3[5]	*12·1*[5]	209·6[5]	*11·6*[5]	208·2[5]	*11·4*[5]	..	
A									..	
S									..	

[1] The seasonal adjustment factors currently used are based on data up to December 1980.

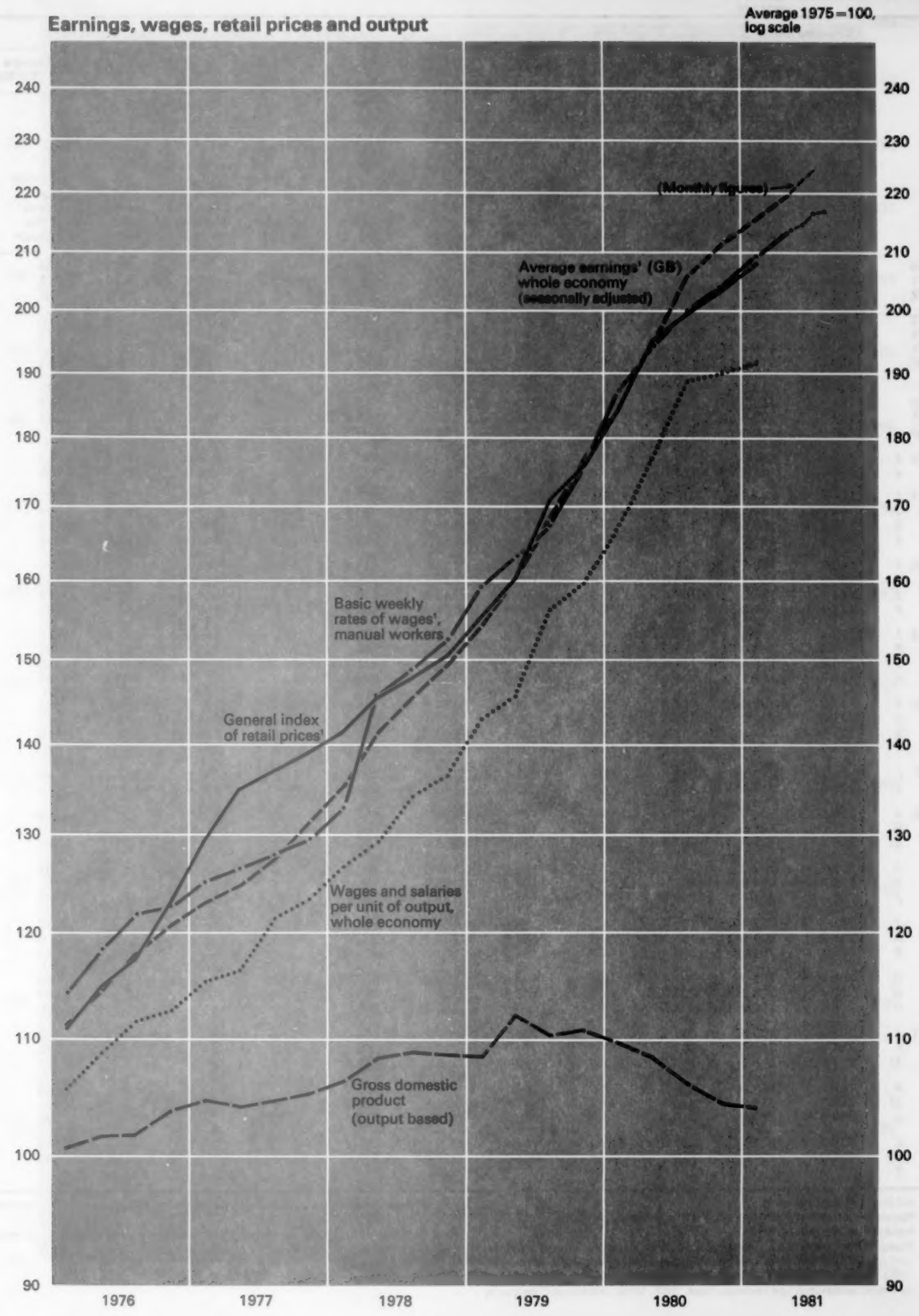
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.

[3] These figures are affected by the industrial dispute in the engineering industries.

[4] Owing to the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for all manufacturing and, whole economy and Index of production industries.

[5] Provisional.

Earnings, wages, retail prices and output



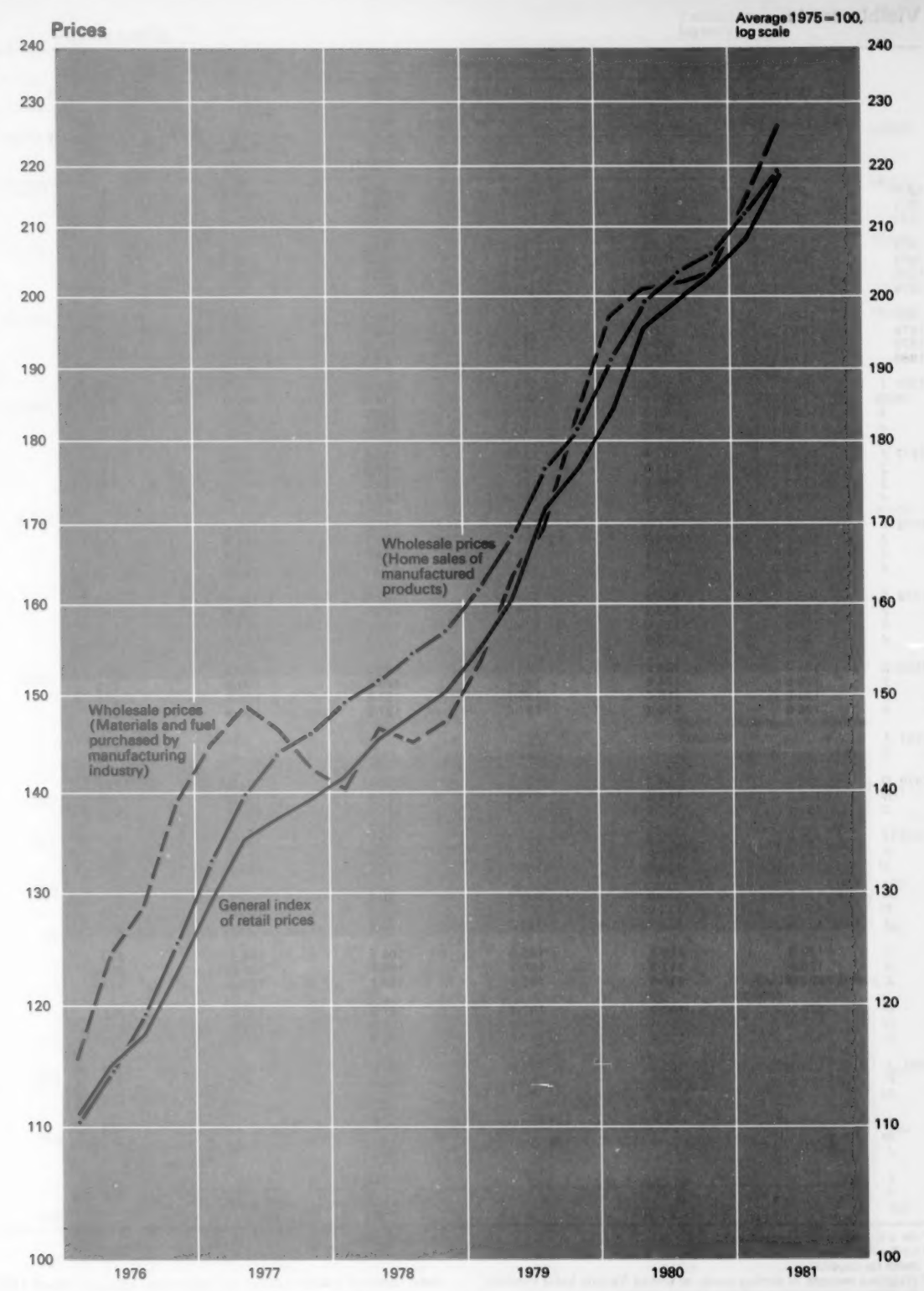
[1] Quarterly average of monthly figures

Prices

Unadjusted

		Average 1975 =100										Average 1975 =100p
		Wholesale prices index		General index of retail prices						Pensioner price index[1]		
			Output					All items other than seasonal food				
		Materials and fuel purchased by manufacturing industry[2]	All manufactured products Home sales[3]	All items Index	*Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1970		40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971		42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972		44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973		58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974		86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975		100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976		127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977		145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978		144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979		167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1980		200·9	200·0	195·6	*18·0*	191·9	196·5	196·3	*18·4*	195·7	194·6	
1976	*3*	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
	4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977	*1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
	2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
	3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
	4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978	*1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
	2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
	3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
	4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979	*1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
	2	163·3	168·0	160·7	*10·6*	169·9	158·3	160·2	*10·4*	163·4	162·9	62
	3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
	4	183·9	181·8	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1980	*1*	197·2	191·4	184·6	*19·1*	185·7	184·1	184·8	*19·5*	185·7	184·9	54
	2	201·3	199·0	195·3	*21·5*	192·0	196·1	195·8	*22·3*	194·1	193·5	51
	3	201·9	203·6	199·4	*16·4*	194·5	200·7	200·4	*16·5*	199·2	197·9	50
	4	203·3	206·1	203·2	*15·3*	195·5	205·1	204·3	*15·6*	203·7	201·9	49
1981	*1*	213·8	212·3	208·0	*12·7*	201·6	209·5	209·0	*13·0*	209·8	208·2	48
	2	225·6	219·4	218·1	*11·7*	207·8	220·8	218·9	*11·8*	216·4	215·7	46
1980	*J*	193·5	188·5	182·0	*18·4*	183·6	181·4	182·2	*18·8*	..	..	55
	F	197·6	191·5	184·6	*19·1*	185·1	184·3	184·9	*19·5*	..	..	54
	M	200·4	194·3	187·1	*19·8*	188·4	186·6	187·4	*20·2*	..	..	53
	A	202·3	197·0	193·5	*21·8*	190·6	194·2	193·9	*22·4*	..	..	52
	M	200·4	199·0	195·3	*21·9*	191·8	196·1	195·9	*22·6*	..	..	51
	J	201·1	201·0	197·1	*21·0*	193·5	198·0	197·7	*21·7*	..	..	51
	J	201·7	202·7	198·7	*16·9*	195·0	199·6	199·3	*17·0*	..	..	50
	A	201·8	203·5	199·2	*16·3*	194·3	200·4	200·2	*16·5*	..	..	50
	S	202·1	204·6	200·4	*15·9*	194·3	202·0	201·6	*16·1*	..	..	50
	O	201·4	205·3	201·7	*15·4*	194·5	203·5	202·9	*15·7*	..	..	50
	N	203·4	206·2	203·3	*15·3*	195·0	205·5	204·5	*15·7*	..	..	49
	D	205·1	206·7	204·5	*15·1*	197·1	206·4	205·5	*15·4*	..	..	49
1981	*J*	209·7	209·9	205·7	*13·0*	200·1	207·2	206·7	*13·4*	..	..	49
	F	214·0	211·9	207·6	*12·5*	201·7	209·0	208·6	*12·8*	..	..	48
	M	217·8	215·1	210·7	*12·6*	203·0	212·4	211·6	*12·9*	..	..	47
	A	221·3	218·0	216·8	*12·0*	205·7	219·7	217·7	*12·3*	..	..	46
	M	226·1	219·2	218·2	*11·7*	207·6	220·9	218·9	*11·7*	..	..	46
	J	229·9	221·1†	219·4	*11·3*	210·1	221·9	220·1	*11·3*	..	..	46
	J	233·1[5]	222·2[5]	220·4	*10·9*	209·8	223·2	221·2	*11·0*	..	..	45
	A	236·9[6]	224·0[6]	222·0	*11·4*	208·0	225·6	223·3	*11·5*	..	..	45
	S									..	..	

[1] All items except housing.
[2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[5] Provisional.
[6] Estimated.


Prices
Average 1975 = 100, log scale
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
Wholesale prices (Home sales of manufactured products)
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
1976
1977
1978
1979
1980
1981

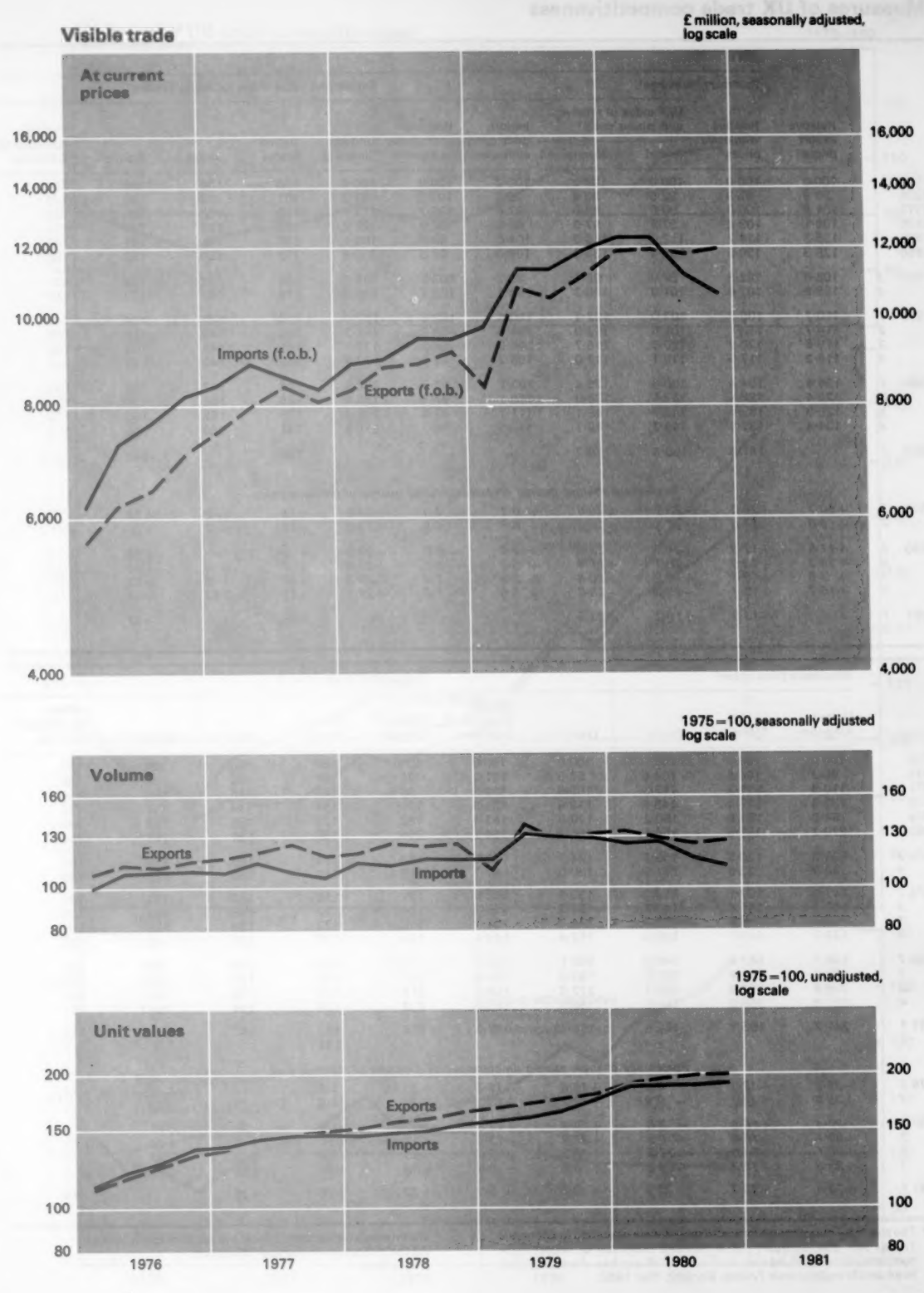
Visible trade

	Seasonally adjusted		Unadjusted			
	1975 =100		1975 =100			1975 =100
	Volume indices[1]		Unit value indices[1]			
	Exports	Imports	Exports	Imports	Terms of trade[2]	World commodity prices index[3]
1970	81·1	81·8	50·8	42·8	118·8	31
1971	85·9	85·5	53·7	44·8	119·8	33
1972	85·6	95·2	56·8	46·9	121·1	36
1973	97·2	108·4	64·0	60·0	106·8	54
1974	104·2	109·5	81·6	87·7	93·1	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	109·9†	105·8	119·6	122·2	97·9	130
1977	118·4	107·7	141·5	141·3	100·2	149
1978	121·5	112·8†	155·5	146·8	105·9	138
1979	125·6	125·6	171·8	161·6	106·3	162
1980	127·9	119·1	192·9	185·9	103·8	214
1976 *1*	106·1	98·5	109·6	110·4	99·3	115
2	110·8	107·9	115·8	119·0	97·3	130
3	109·5	108·3	122·8	125·1	98·2	135
4	113·0	108·6	130·3	134·3	97·0	145
1977 *1*	115·5	107·4	134·9	137·1	98·4	152
2	118·5	112·0	140·6	140·8	99·9	155
3	123·2	107·6	144·3	143·4	100·6	149
4	116·4†	103·9	146·4	143·9	101·8	142
1978 *1*	118·5	111·4†	149·6	141·9	105·4	136
2	122·6	110·2	153·7	146·5	104·9	143
3	121·4	115·1	157·6	148·1	106·4	138
4	123·4	114·4	161·1	150·8	106·8	138
1979 *1*	108·1	114·5	166·0	153·9	107·8	141
2	136·3	130·2	169·2	158·5	106·8	156
3	128·0	129·0	173·2	161·7	107·1	162
4	130·1	128·9	178·8	172·4	103·7	185
1980 *1*	131·4	124·5	187·3†	185·3	101·1	211
2	128·5	125·8	191·7	185·5	103·4	216
3	124·8	115·6	195·7	185·5	105·5	214
4	126·8	110·3	197·0	187·2	105·2	215
1981 *1*						228
2						238[5]
1979 *O*	126·1	130·7	176·9	169·4†	104·4†	174
N	133·0	128·5	179·3	172·2	104·2	190
D	131·1	127·5	180·3	175·7	102·6	192
1980 *J*	135·7†	123·0	185·2†	182·7	101·4	206
F	132·2	126·4	187·5	185·6	101·0	210
M	126·5	124·1	189·2	187·7	100·8	218
A	127·8	130·5	190·8	185·8	102·7	218
M	130·1	123·0†	191·1	185·5	103·0	214
J	127·4	123·9	193·3	185·1	104·4	213
J	129·6	118·4	195·0	185·5	105·1	213
A	120·9	117·9	196·2	185·1	106·0	214
S	124·0	110·6	195·9	186·1	105·3	212
O	125·5	107·0	197·4	187·8	105·1	211
N	127·8	111·4	195·9	185·6	105·6	216
D	127·0	112·4	197·7	188·3	105·0	218
1981 *J*	123·7	101·0	199·0	187·0	106·4	220
F	119·5	109·2	198·8	189·1	105·2	227
M						234
A						239
M						249†
J						244[5]
J						249[5]
A						256[5]
S						

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.

Note: Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.

Visible trade



Measures of UK trade competitiveness

1975 = 100

		Summary measures[1]						Export unit value index for manufactures[3]				
		Relative export prices[2]	Relative wholesale prices[2]	IMF index of relative unit labour costs[2] Actual	Normalised	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976		96·9	93·9	92·6	93·6	96·3	101·2	97·2	107	99	98	102
1977		101·8	100·0	90·0	89·9	97·6	102·7	111·7	112	108	105	110
1978		108·1	103·2	97·3	97·9	99·6	102·9	136·2	121	131	121	131
1979		115·3	114·2	112·9	113·0	104·6	99·8	164·1	140	141	141	147
1980		128·3	130·5	139·9	138·9	109·0	97·3	200·8	153	150	157	156
1978	3	108·0	102·3	97·0	98·4	99·0	103·5	138·9	121	142	126	131
	4	109·6	102·6	101·0	100·3	98·7	103·7	146·5	126	143	129	140
1979	1	110·7	105·5	103·0	102·4	100·8	102·8	152·0	134	142	134	143
	2	114·7	113·1	109·6	112·0	104·4	99·9	158·2	139	140	136	140
	3	119·6	120·9	120·0	118·7	108·0	98·8	173·3	141	145	144	148
	4	116·2	117·5	119·1	119·0	105·2	97·9	172·9	145	141	149	155
1980	1	123·4	124·4	130·5	126·4	103·2	97·7	188·5	146	142	154	157
	2	126·4	128·5	137·1	136·0	110·1	97·4	195·6	149	150	156	155
	3	128·9	132·1	142·7	143·4	111·1	97·4	208·4	155	152	163	170
	4	134·4	137·1	149·2	149·7	112·0	96·7	210·5	161	159	155	152
1981	1		141·6	155·6	156·2				165		143	
	2											
		Percentage change, quarter on corresponding quarter of previous year.										
1979	3	*+10·7*	*+18·2*	*+23·7*	*+20·6*	*+ 9·1*	*− 4·5*	*+24·8*	*+18*	*+ 2*	*+14*	*+13*
	4	*+ 6·0*	*+14·5*	*+17·9*	*+18·6*	*+ 6·6*	*− 5·6*	*+18·0*	*+15*	*− 1*	*+16*	*+11*
1980	1	*+11·5*	*+17·9*	*+26·7*	*+23·4*	*+ 2·4*	*− 5·0*	*+24·0*	*+ 9*	*—*	*+15*	*+10*
	2	*+10·2*	*+13·6*	*+25·1*	*+21·4*	*+ 5·5*	*− 2·5*	*+23·6*	*+ 7*	*+ 7*	*+15*	*+11*
	3	*+ 7·8*	*+ 9·3*	*+18·9*	*+20·8*	*+ 2·9*	*− 1·4*	*+20·3*	*+10*	*+ 5*	*+13*	*+15*
	4	*+15·7*	*+16·7*	*+25·3*	*+25·8*	*+ 6·5*	*− 1·2*	*+21·7*	*+11*	*+13*	*+ 4*	*− 2*
1981	1		*+13·8*	*+19·2*	*+23·6*				*+13*		*− 7*	
	2											

		Wholesale price index[3]					Unit labour costs index[3]				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976		95·3	104·6	104·9	96·5	101·2	91	101	100	94	96
1977		110·8	111·2	117·8	100·6	112·8	96	107	115	100	110
1978		132·8	119·4	148·5	119·8	131·9	120	114	144	117	130
1979		164·8	133·8	150·2	140·6	151·4	152	122	135	132	146
1980		210·2	152·8	166·6	165·2	164·1	204	136	131	151	158
1978	3	135·0	120·5	159·9	124·9	132·0	122	114	155	122	130
	4	140·9	123·3	161·0	130·0	141·7	132	116	156	125	140
1979	1	147·0	127·1	154·8	133·9	145·6	137	119	147	131	145
	2	157·7	131·4	147·8	134·3	145·4	144	122	135	127	139
	3	177·7	135·8	153·0	144·3	154·1	162	123	134	131	146
	4	177·1	140·7	145·0	152·4	160·4	164	125	122	140	153
1980	1	194·7	147·4	149·3	160·1	164·2	181†	129	118	145[4]	154
	2	205·2	151·1	162·9	163·6	164·4	197	136	126	148[4]	156
	3	218·8	154·8	173·7	172·0	168·7	216	140	138	158[4]	165
	4	221·9	158·0	180·5	165·0	159·0	222	139	144	154[4]	157
1981	1	221·2	163·1	182·9	154·4	149·1	216	142	147		139
	2							144			
		Percentage change, quarter on corresponding quarter of previous year.									
1979	3	*+31·6*	*+12·7*	*− 4·3*	*+15·5*	*+16·7*	*+33*	*+8*	*−14*	*+ 7*	*+12*
	4	*+25·7*	*+14·1*	*− 9·9*	*+17·2*	*+13·2*	*+24*	*+8*	*−22*	*+12*	*+ 9*
1980	1	*+32·4*	*+16·0*	*− 3·6*	*+19·6*	*+12·8*	*+32†*	*+8*	*−20*	*+11*	*+ 6*
	2	*+30·1*	*+15·0*	*+10·2*	*+21·8*	*+13·1*	*+37*	*+11*	*− 7*	*+17*	*+12*
	3	*+23·1*	*+14·0*	*+13·5*	*+19·2*	*+ 9·5*	*+33*	*+14*	*+ 3*	*+21*	*+13*
	4	*+25·3*	*+12·3*	*+24·5*	*+ 8·3*	*− 0·9*	*+35*	*+11*	*+18*	*+10*	*+ 3*
1981	1	*+13·6*	*+10·7*	*+22·5*	*− 3·6*	*− 9·2*	*+19*	*+10*	*+25*		*−10*
	2										

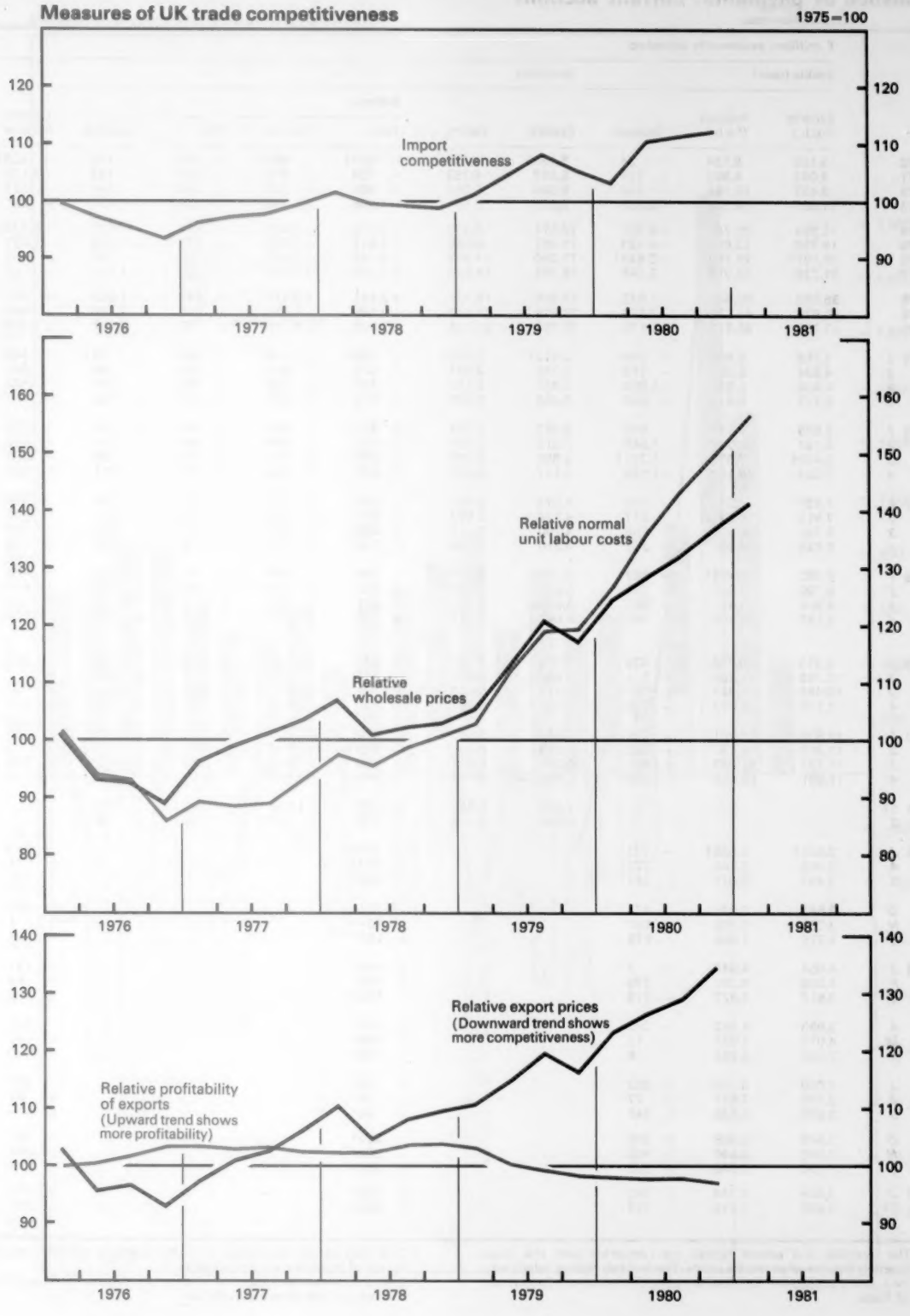
[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980.

[2] Downwards movements indicate greater competitiveness.

[3] All the indices are in terms of US dollars.

[4] Provisional.

Measures of UK trade competitiveness



Balance of payments: current account

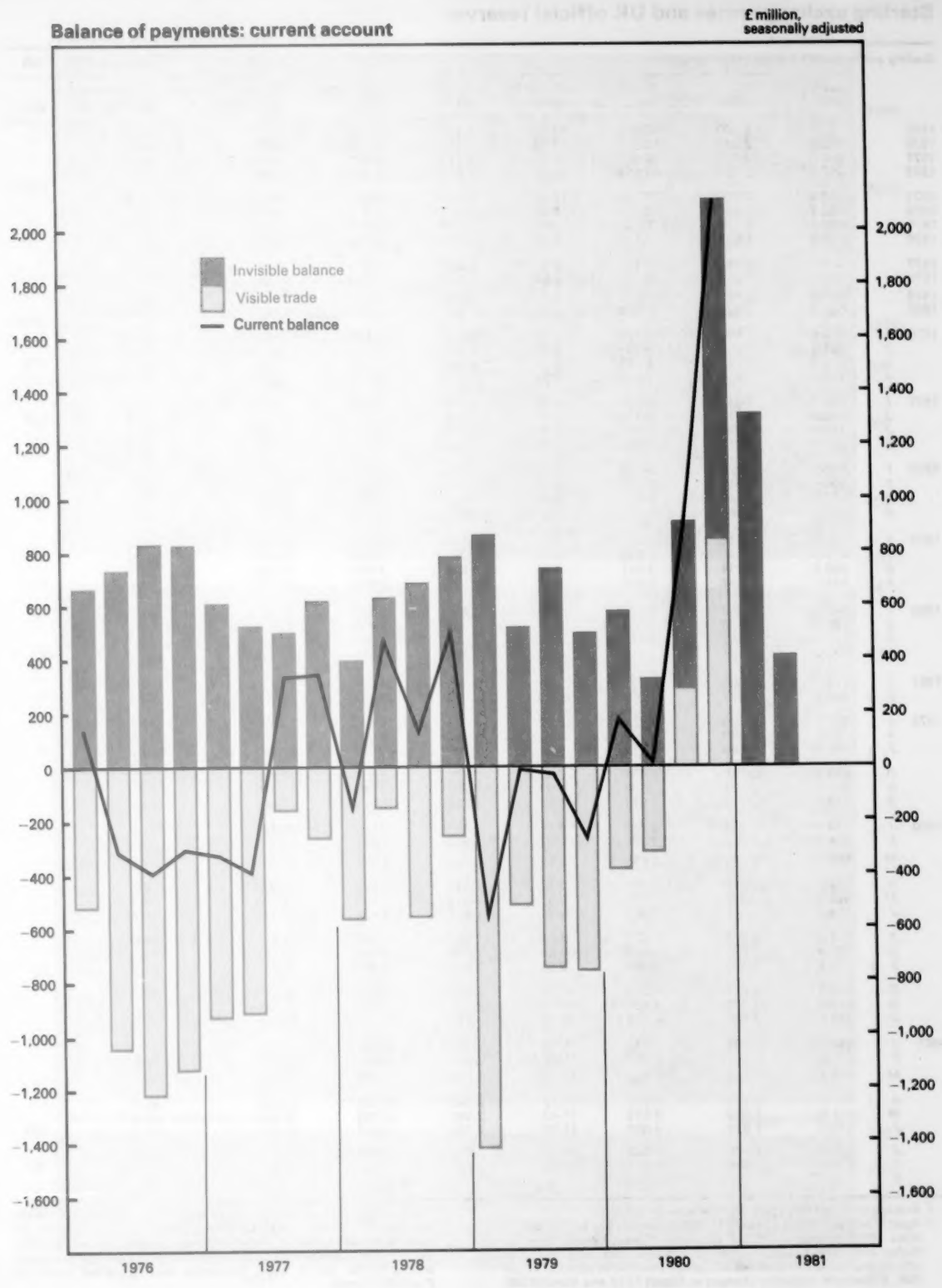
£ million, seasonally adjusted

	Visible trade[1]			Invisibles						
						Balance				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1970	8,150	8,184	− 34	5,126†	4,269	+ 857†	+ 481†	+ 554	− 178	+ 823†
1971	9,043	8,853	+ 190	5,697	4,763	+ 934	+ 625	+ 502	− 193	+1,124
1972	9,437	10,185	− 748	6,300	5,305	+ 995	+ 701	+ 538	− 244	+ 247
1973	11,937	14,523	−2,586	8,506	6,901†	+1,605	+ 786	+1,257†	− 438†	− 981
1974	16,394	21,745	−5,351	10,511	8,433	+2,078	+1,083	+1,415	− 420	−3,273
1975	19,330	22,663	−3,333	11,467	9,655	+1,812	+1,519	+ 773	− 480	−1,521
1976	25,191†	29,120	−3,929†	15,000	11,952	+3,048	+2,443	+1,365	− 760	− 881
1977	31,728	34,012	−2,284	16,788	14,545	+2,243	+3,254	+ 104	−1,115	− 41
1978	35,063	36,605†	−1,542	18,958	16,477	+2,481	+3,711	+ 592	−1,822	+ 939
1979	40,678	44,136	−3,458	23,694	21,099	+2,595	+4,039	+ 846	−2,290	− 863
1980	47,389	46,211	+1,178	25,764	23,736	+2,028	+4,188	− 38	−2,122	+3,206
1975 *1*	4,658	5,602	− 944	2,812†	2,316†	+ 496†	+ 368†	+ 201†	− 73†	− 448†
2	4,594	5,307	− 713	2,759	2,387	+ 372	+ 376	+ 142	− 146	− 341
3	4,806	5,836	−1,030	2,842	2,414	+ 428	+ 360	+ 180	− 112	− 602
4	5,272	5,918	− 646	3,054	2,538	+ 516	+ 415	+ 250	− 149	− 130
1976 *1*	5,599	6,123	− 524	3,382	2,719	+ 663	+ 563	+ 294	− 194	+ 139
2	6,164	7,212	−1,048	3,612	2,881	+ 731	+ 548	+ 350	− 167	− 317
3	6,400†	7,627	−1,227†	3,889	3,060	+ 829	+ 648	+ 369	− 188	− 398
4	7,028	8,158	−1,130	4,117	3,292	+ 825	+ 684	+ 352	− 211	− 305
1977 *1*	7,437	8,370	− 933	4,074	3,467	+ 607	+ 730	+ 122	− 245	− 326
2	7,914	8,831	− 917	4,144	3,623	+ 521	+ 818	− 16	− 281	− 396
3	8,354	8,520	− 166	4,260	3,761	+ 499	+ 831	− 10	− 322	+ 333
4	8,023	8,291	− 268	4,310	3,694	+ 616	+ 875	+ 8	− 267	+ 348
1978 *1*	8,282	8,844†	− 562	4,417	4,021	+ 396	+ 885	+ 56	− 545	− 166
2	8,790	8,949	− 159	4,615	3,986	+ 629	+ 814	+ 225	− 410	+ 470
3	8,854	9,411	− 557	4,884	4,203	+ 681	+ 989	+ 172	− 480	+ 124
4	9,137	9,401	− 264	5,042	4,267	+ 775	+1,023	+ 139	− 387	+ 511
1979 *1*	8,310	9,736	−1,426	5,513	4,654	+ 859	+ 984	+ 396	− 521	− 567
2	10,765	11,280	− 515	5,656	5,143	+ 513	+ 944	+ 91	− 522	− 2
3	10,488	11,241	− 753	6,171	5,440	+ 731	+1,032	+ 322	− 623	− 22
4	11,115	11,879	− 764	6,354	5,862	+ 492	+1,079	+ 37	− 624	− 272
1980 *1*	11,876	12,261	− 385	6,563	5,993	+ 570	+1,072	+ 3	− 505	+ 185
2	11,915	12,237	− 322	6,526	6,201	+ 325	+1,037	− 51	− 661	+ 3
3	11,707	11,087	+ 620	6,081	5,793	+ 288	+ 968	− 55	− 625	+ 908
4	11,891	10,626	+1,265	6,594	5,749	+ 845	+1,111	+ 65	− 331	+2,110
1981 *1*[3]	..	..	..	7,158	5,849	+1,309	+1,169	+ 243	− 103	..
2	..	..	..	6,435	6,029	+ 406	+ 985	+ 149	− 728	..
1979 *J*	3,555†	3,686†	− 131†	..	..	+ 244[2]†	..	..	..	+ 113†
A	3,466	3,744	− 278	..	..	+ 244[2]	..	..	..	− 34
S	3,467	3,811	− 344	..	..	+ 243[2]	..	..	..	− 101
O	3,541	3,975	− 434	..	..	+ 164[2]	..	..	..	− 270
N	3,799	3,956	− 157	..	..	+ 164[2]	..	..	..	+ 7
D	3,775	3,948	− 173	..	..	+ 164[2]	..	..	..	− 9
1980 *J*	4,054	4,047	+ 7	..	..	+ 190[2]	..	..	..	+ 197
F	4,008	4,287	− 279	..	..	+ 190[2]	..	..	..	− 89
M	3,814	3,927	− 113	..	..	+ 190[2]	..	..	..	+ 77
A	3,953	4,252	− 299	..	..	+ 108[2]	..	..	..	− 191
M	4,016	4,031	− 15	..	..	+ 108[2]	..	..	..	+ 93
J	3,946	3,954	− 8	..	..	+ 109[2]	..	..	..	+ 101
J	4,050	3,748	+ 302	..	..	+ 96[2]	..	..	..	+ 398
A	3,784	3,811	− 27	..	..	+ 96[2]	..	..	..	+ 69
S	3,873	3,528	+ 345	..	..	+ 96[2]	..	..	..	+ 441
O	3,943	3,438	+ 505	..	..	+ 282[2]	..	..	..	+ 787
N	3,948	3,540	+ 408	..	..	+ 282[2]	..	..	..	+ 690
D	4,000	3,648	+ 352	..	..	+ 281[2]	..	..	..	+ 633
1981 *J*	4,006	3,264	+ 742	..	..	+ 436[2]	..	..	..	+1,178
F[3]	3,833	3,519	+ 314	..	..	+ 436[2]	..	..	..	+ 750
M	..	..	..	..	..	..	..	..	..	..

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[3] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.

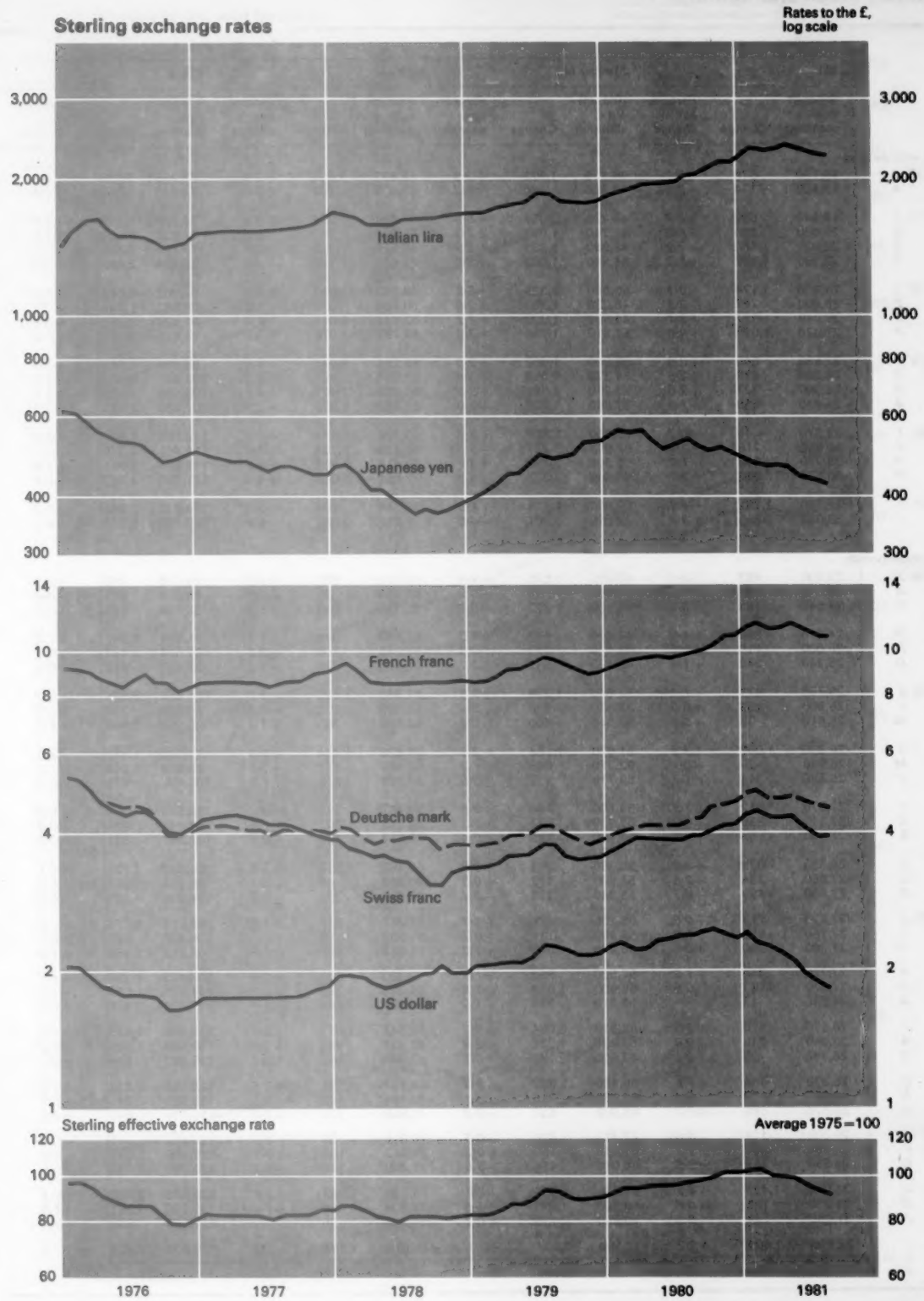

Balance of payments: current account
£ million, seasonally adjusted
Invisible balance
Visible trade
Current balance
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
−200
−400
−600
−800
−1,000
−1,200
−1,400
−1,600
1976
1977
1978
1979
1980
1981

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies[1]						$ million	Average 1975 = 100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1969		..	2·390	10·308	12·43	1,499	9·379	2,528	129·4
1970		857·8	2·396	10·327	13·24	1,502	8·736	2,827	128·1
1971		844·6	2·444	10·069	13·46	1,511	8·530	6,582	127·9
1972		752·3	2·502	9·554	12·62	1,460	7·975	5,646	123·3
1973		664·6	2·453	7·758	10·90	1,428	6·540	6,476	111·8
1974		682·7	2·340	6·965	11·25	1,522	6·049	6,789	108·3
1975		658·1	2·220	5·723	9·50	1,447	5·447	5,429	100·0
1976		535·4	1·805	4·521	8·61	1,497	4·552	4,129	85·7
1977		467·7	1·746	4·189	8·57	1,540	4·050	20,557	81·2
1978		402·7	1·920	3·423	8·64	1,628	3·850	15,694	81·5
1979		465·6	2·122	3·525	9·03	1,762	3·887	22,538	87·3
1980		525·6	2·328	3·894	9·82	1,992	4·227	27,476	96·1
1976	*1*	603·6	1·998	5·151	9·04	1,530	5·142	5,905	94·0
	2	539·8	1·805	4·504	8·49	1,554	4·619	5,312	86·3
	3	514·0	1·766	4·380	8·67	1,483	4·473	5,158	84·1
	4	484·8	1·651	4·038	8·23	1,424	3·977	4,129	78·1
1977	*1*	488·7	1·714	4·324	8·53	1,514	4·107	9,618	80·9
	2	473·0	1·719	4·315	8·51	1,523	4·059	11,572	80·6
	3	461·8	1·735	4·160	8·49	1,532	4·005	17,171	80·8
	4	447·4	1·813	3·962	8·76	1,592	4·032	20,557	82·6
1978	*1*	458·3	1·928	3·720	9·17	1,662	4·000	20,320	84·8
	2	404·6	1·835	3·516	8·45	1,583	3·809	16,542	79·9
	3	372·2	1·932	3·241	8·46	1,617	3·875	16,511	80·6
	4	377·2	1·984	3·222	8·51	1,649	3·718	15,694	80·6
1979	*1*	406·3	2·016	3·375	8·61	1,691	3·740	21,947	82·4
	2	453·1	2·081	3·565	9·11	1,762	3·944	22,070	87·0
	3	488·6	2·234	3·657	9·46	1,825	4·059	22,692	91·3
	4	513·7	2·157	3·505	8·94	1,771	3·810	22,538	88·5
1980	*1*	548·5	2·254	3·740	9·34	1,857	3·995	26,963	93·0
	2	528·6	2·286	3·833	9·61	1,942	4·132	28,172	94·5
	3	523·2	2·382	3·885	9·81	2,008	4·226	27,637	96·7
	4	502·2	2·387	4·115	10·53	2,159	4·551	27,476	100·2
1981	*1*	474·7	2·309	4·376	11·21	2,311	4·814	28,212	101·4
	2	456·5	2·077	4·024	11·25	2,354	4·728	25,631	97·8
1979	*J*	493·7	2·260	3·721	9·60	1,854	4·122	23,439	92·5
	A	487·4	2·238	3·708	9·52	1,833	4·095	23,245	91·8
	S	489·2	2·200	3·532	9·24	1,785	3·950	22,692	89·7
	O	493·3	2·145	3·491	9·00	1,770	3·836	22,318	88·0
	N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	88·1
	D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	89·6
1980	*J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	91·8
	F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	93·7
	M	548·2	2·206	3·865	9·51	1,896	4·081	26,963	93·5
	A	552·2	2·216	3·855	9·60	1,934	4·142	28,008	94·3
	M	525·4	2·304	3·830	9·63	1,942	4·125	28,284	94·7
	J	509·2	2·336	3·815	9·60	1,951	4·128	28,172	94·5
	J	524·3	2·373	3·812	9·62	1,973	4·145	28,272	95·6
	A	530·8	2·371	3·914	9·83	2,008	4·242	28,291	96·8
	S	515·1	2·402	3·936	9·99	2,045	4·297	27,637	97·6
	O	505·7	2·417	4·011	10·28	2,111	4·533	28,026	99·2
	N	510·1	2·396	4·135	10·63	2,177	4·593	28,189	101·1
	D	491·1	2·346	4·184	10·70	2,194	4·620	27,476	100·2
1981	*J*	485·9	2·405	4·376	11·16	2,289	4·829	28,394	102·0
	F	471·8	2·294	4·469	11·42	2,343	4·921	28,434	102·5
	M	466·6	2·233	4·292	11·09	2,303	4·703	28,212	99·7
	A	467·9	2·179	4·292	11·13	2,345	4·707	28,066	99·2
	M	461·0	2·090	4·312	11·47	2,386	4·793	26,487	98·8
	J	442·3	1·974	4·090	11·16	2,333	4·691	25,631	95·4
	J	435·2	1·876	3·932	10·87	2,278	4·577	24,568	92·5
	A	425·2	1·821	3·953	10·89	2,267	4·558	24,511	91·2
	S								

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. Valuation changes at March 1981 reduced the level of reserves by $257 million. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
Italian lira
Japanese yen
14
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling effective exchange rate
Average 1975=100
120
100
80
60
1976
1977
1978
1979
1980
1981

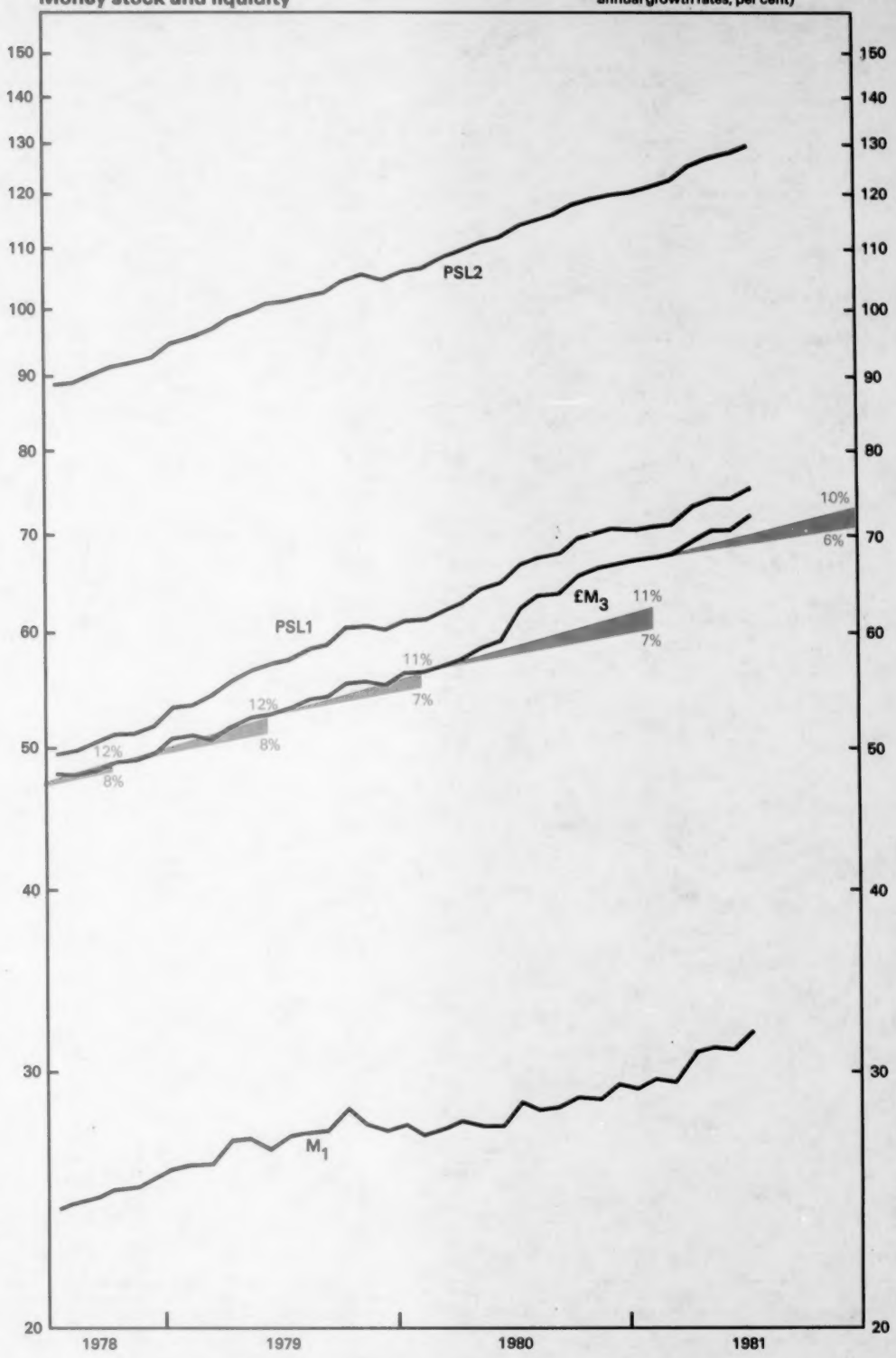
Money stock and liquidity

£ million, seasonally adjusted

	M1			Sterling M3			PSL 1			PSL 2		
	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change
At end period												
1976 *3*	19,100	578	+3·1	40,300	1,525	+3·9	42,837	1,602	+3·9	73,255†	2,172	+3·1
4	18,980	−114	−0·6	40,380	90	+0·2	43,030	203	+0·5	73,830	585†	+0·8
1977 *1*	19,540	552	+2·9	40,720	351	+0·9	43,284	244	+0·6	75,230	1,389	+1·9
2	20,530	985	+5·0	41,740	1,017	+2·5	44,281	987	+2·3	77,233	1,993	+2·6
3	22,020	1,484	+7·2	42,990	1,231	+2·9	45,510	1,235	+2·8	79,725	2,498	+3·2†
4	23,180	1,172	+5·3	44,540	1,532	+3·6	46,614	1,124	+2·5	82,404	2,699	+3·4
1978 *1*	24,350	1,174	+5·1	46,880	2,325	+5·2	49,282†	2,695†	+5·8	87,062	4,685	+5·7
2	25,090	747	+3·1	48,230	1,363	+2·9	50,136	870	+1·8	88,882	1,836	+2·1
3	26,010	927	+3·7	49,560	1,326	+2·7	52,142	2,021	+4·0	91,923	3,056	+3·4
4	27,020	1,028	+4·0	51,310	1,758	+3·5	53,793	1,676	+3·2	94,675	2,777	+3·0
1979 *1*	27,580	549	+2·0	52,360	1,002	+2·0	56,264	2,445	+4·5	98,584	3,883	+4·1
2	28,250	676	+2·5	54,370	2,013	+3·8	58,653	2,391	+4·2	102,061	3,479	+3·5
3	28,950	727	+2·6	56,210	1,891	+3·5	61,053	2,457	+4·2	105,130	3,126	+3·1
4	29,470	559	+1·9	57,840	1,709	+3·0	62,483	1,513	+2·5	107,480	2,433	+2·3
1980 *1*	29,370	− 48	−0·2	59,250	1,507	+2·6	63,725	1,464	+2·3	110,109	2,851	+2·7
2	30,080	718†	+2·4	62,510†	3,287†	+5·5†	67,429	3,727	+5·8	114,461	4,375	+4·0
3	29,770	−298	−1·0	65,300	2,797	+4·5	69,418	1,964	+2·9	117,507	3,021	+2·6
4	30,570†	812	+2·7	68,640	3,323	+5·1	72,551	3,064	+4·4	121,909	4,333	+3·7
1981 *1*	31,850	1,281	+4·2	69,900	1,224	+1·8	72,744	243	+0·3	124,979	2,965	+2·4
2	33,090	1,233	+3·9	73,110	3,201	+4·6	76,592	3,832	+5·3	130,298	5,303	+4·2
At mid-month												
1978 *J*	24,100	482	+2·0	47,920	685	+1·4	49,424	387	+0·8	88,525	795	+0·9
A	24,370	283	+1·2	47,840	− 76	−0·2	49,736	321	+0·6	89,077	561	+0·6
S	24,540	183	+0·8	48,150	320	+0·7	50,326	598	+1·2	89,914	843	+0·9
O	24,910	368	+1·5	48,770	632	+1·3	51,170	849	+1·7	91,204	1,297	+1·4
N	25,000	110	+0·4	48,920	170	+0·3	51,243	100	+0·2	91,674	497	+0·5
D	25,340	349	+1·4	49,430	532	+1·1	51,816	606	+1·2	92,457	816	+0·9
1979 *J*	25,790	473	+1·9	50,640	1,236	+2·5	53,385	1,600	+3·1	94,551	2,125	+2·3
F	25,900	133	+0·5	50,920	304	+0·6	53,513	155	+0·3	95,263	739	+0·8
M	25,910	30	+0·1	50,510	−400	−0·8	54,198	700	+1·3	96,352	1,104	+1·2
A	26,900	1,002	+3·9	51,670	1,166	+2·3	55,628	1,434	+2·6	98,260	1,912	+2·0
M	26,930	26	+0·1	52,370	686	+1·3	56,486	852	+1·5	99,514	1,248	+1·3
J	26,580	−344	−1·3	52,710	333	+0·6	57,078	578	+1·0	100,401	873	+0·9
J	27,070	512	+1·9	53,190	464	+0·9	57,487	386	+0·7	100,979	555	+0·6
A	27,310	235	+0·9	53,900	677	+1·3	58,319	807	+1·4	101,915	911	+0·9
S	27,360	53	+0·2	54,140	239	+0·4†	58,819	495	+0·8	102,741	821	+0·8
O	28,390	1,029	+3·8	55,350	1,202	+2·2	60,463	1,654	+2·8	104,857	2,126	+2·1
N	27,660	−734	−2·6	55,530	172	+0·3	60,539	60	+0·1	105,384	511	+0·5
D	27,460	−199	−0·7	55,340	−215	−0·4	60,190	−386	−0·6	104,996	−425	−0·4
1980 *J*	27,670	217	+0·8	56,280	928	+1·7	61,011	876	+1·5	106,217	1,276	+1·2
F	27,150	−512	−1·9	56,400	111	+0·2	61,062	13	—	106,800	545	+0·5
M	27,380	230	+0·8	56,960	542	+1·0	61,983	897	+1·5	108,212	1,388	+1·3
A	27,720	336	+1·2	57,520	562	+1·0	62,832	864	+1·4	109,422	1,225	+1·1
M	27,570	−162	−0·6	58,600	1,059	+1·8	64,235	1,383	+2·2	111,023	1,581	+1·4
J	27,580	13	—	59,210	576	+1·0	64,961	684	+1·1	111,933	868	+0·8
J	28,570	970	+3·5	62,310	3,064	+5·2	66,645	1,627	+2·5	113,845	1,855	+1·7
A	28,340	−236	−0·8	63,600	1,226	+2·0	67,421	689	+1·0	114,960	1,028	+0·9
S	28,390	28	+0·1	63,800	133	+0·2	67,941	442	+0·7	115,857	819	+0·7
O	28,870	466	+1·6	65,460	1,602	+2·5	69,697	1,686	+2·5	118,159	2,232	+1·9
N	28,770	−129	−0·4	66,260†	715†	+1·1	70,184†	406†	+0·6	119,081†	841†	+0·7
D	29,470	665	+2·3	66,900	556	+0·8	70,948	675	+1·0	120,019	849	+0·7
1981 *J*	29,300†	−178†	−0·6†	67,310	326	+0·5	70,812	− 83	−0·1	120,832	711	+0·6
F	29,690	376	+1·3	67,540	150	+0·2	71,013	104	+0·1	121,976	1,047	+0·9
M	29 560	−135	−0·5	68,010	434	+0·6	71,208	155	+0·2	123,080	1,064	+0·9
A	31,010	1,451	+4·9	69,520	1,504	+2·2	73,170	1,963	+2·8	125,678	2,599	+2·1
M	31,210	195	+0·6	70,580	1,071	+1·5	74,204	1,050	+1·4	127,253	1,591	+1·3
J	31,060	−144	−0·5	70,680	125	+0·2	74,218	36	—	127,753	522	+0·4
J	32,060	1,004	+3·2	72,150	1,507	+2·1	75,614	1,434	+1·9	129,639	1,924	+1·5
A												
S												

Money stock and liquidity

£ billion, seasonally adjusted, log scale
(and successive target ranges :
annual growth rates, per cent)



Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector[2]	Sterling lending to overseas sector[3]	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt						
	1	2	3	4	5	6	7	8	9	10
1976	6,786	2,342	295	5,470	3,464	647	7,474	−2,767	−1,142	3,565
1977	4,469	1,526	549	7,907	3,188	405	1,132	3,432	− 434	4,130
1978	8,371	− 40	−335	6,361	4,698	1,062	8,065	− 378	− 915	6,772
1979	10,430	2,157	1,011	9,895	8,585	− 11	10,255	−2,823	− 818	6,615
1980	11,154	1,151	373	9,212	10,027	2,794	15,541	−3,335	−1,308	10,898
1975 *3*	2,489	123	−134	1,278	− 318	21	1,171	202	− 170	1,203
4	2,300	541	75	1,965	− 197	− 79	525	− 208	− 366	− 49
1976 *1*	2,284	85	−165	1,333	375	343	1,919	− 544	− 268	1,107
2	1,453	961	213	1,074	681	261	2,069	−1,074	− 153	842
3	1,906	467	52	723	1,025	199	2,822	− 895	− 402	1,525
4	1,143	829	195	2,340	1,382	−156	663	− 254	− 319	90
1977 *1*	1,710	200	309	2,274	225	− 84	− 532	939	− 56	351
2	923	557	309	1,224	791	182	920	595	− 498	1,017
3	262	769	− 40	2,344	1,341	159	227	1,186	− 182	1,231
4	1,574	—	− 29	2,065	832	148	518	712	302	1,532
1978 *1*	1,522	−227	−327	1,267	897	646	1,898	431	− 4	2,325
2	1,956	−138	−324	1,767	1,390	294	2,059	− 240	− 456	1,363
3	2,441	4	320	1,537	1,217	47	1,852	− 420	− 106	1,326
4	2,452	321	− 4	1,790	1,194	75	2,256	− 149	− 349	1,758
1979 *1*	1,471	692	269	3,179	2,643	− 82	1,276	− 142	− 132	1,002
2	2,739	170	3	2,812	2,060	− 22	2,132	279	− 398	2,013
3	3,023	753	422	1,735	2,275	92	3,986	−1,844	− 251	1,891
4	3,197	542	317	2,169	1,607	1	2,861	−1,115	− 37	1,709
1980 *1*	187	−137	138	1,542	3,438	423	2,231	− 63	− 661	1,507
2	2,936	946	621	1,872	2,354	606	4,349	− 792	− 264	3,293
3	3,720	273	−222	2,934	3,128	807	5,216	−1,715	− 710	2,791
4	4,311	69	−164	2,864	1,107	958	3,745	− 765	327	3,307
1981 *1*	1,426†	−407†	−529†	3,526†	2,761†	1,187†	1,970†	105†	− 850†	1,225†
2	5,341	1,122	162	3,701	363	417	3,380	− 106	− 73	3,201
Month ended										
1979 May 16	1,054		−248	673	627	70	830	− 50	− 94	686
June 20	779		195	1,349	1,041	− 77	589	89	− 345	333
July 18	844		− 6	730	439	− 11	536	16	− 88	464
Aug. 15	614		218	209	502	113	1,238	− 503	− 58	677
Sept. 19	1,226		88	811	531	− 34	1,000	− 659	− 102	239
Oct. 17	1,152		−609	−182	1,112	− 29	1,808	− 393	− 213	1,202
Nov. 21	379		70	652	983	103	883	− 706	− 5	172
Dec. 12	835		− 68	1,276	189	− 7	−327	220	− 108	− 215
1980 Jan. 16	484		433	1,564	1,387	175	915	79	− 66	928
Feb. 20	− 245		45	510	779	89	158	− 91	44	111
Mar. 19	784		−125	234	364	101	890	− 238	− 110	542
April 16	− 66		155	660	1,297	222	948	− 277	− 109	562
May 21	1,152		− 57	373	595	−181	1,136	148	− 225	1,059
June 18	1,734		81	767	220	275	1,543	− 920	− 47	576
July 16	836		367	228	2,208	666	3,849	− 458	− 327	3,064
Aug. 20	1,207		140	1,032	1,103	350	1,768	− 346	− 196	1,226
Sept. 17	967		34	1,073	723	84	735	− 562	− 40	133
Oct. 15	999		229	974	943	234	1,431	352	− 181	1,602
Nov. 19	984		108	928	310	515	989	− 289	12	712
Dec. 10	999		−124	654	475	232	928	− 255	− 117	556
1981 Jan. 21	394		309	1,035	829	−155	342	− 153	126	315
Feb. 18	412		− 76	1,284	648	403	103	77	− 28	152
Mar. 18	673		184	1,704	1,066	614	833	− 283	− 118	432
April 15	2,102		129	933	393	323	2,014	− 622	112	1,504
May 20	2,029		477	1,463	43	−135	951	251	− 131	1,071
June 17	1,669		129	1,023	68	294	1,137	− 597	− 416	124
July 15	2,292		−485	644	403	575	2,141	− 466	− 164	1,511

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 + 8 + 9 (The figures combined in the bracket are column 2 *less* column 3.)

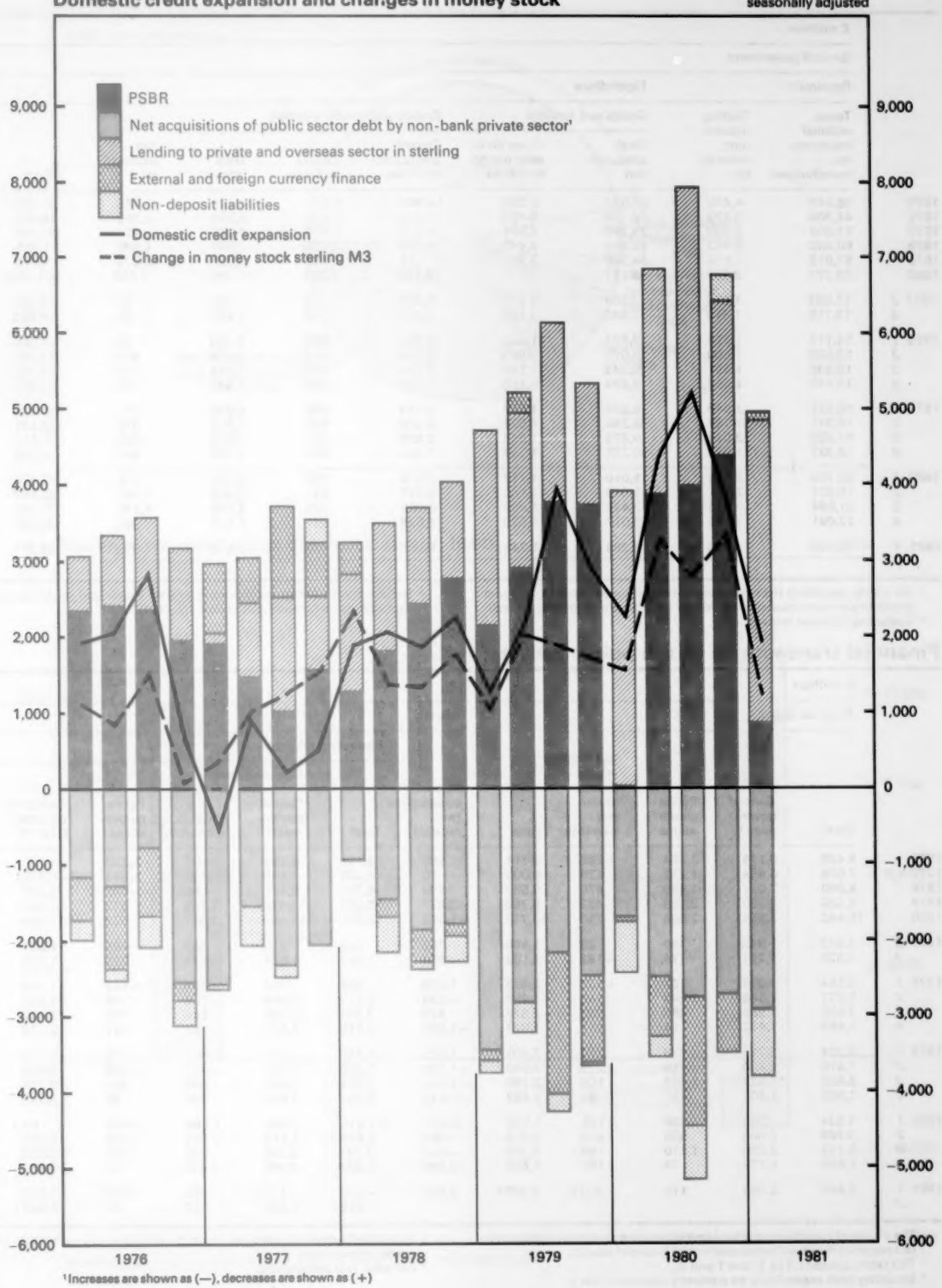
[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of ECGD-backed promissory notes acquired as part of money market smoothing operations.

Domestic credit expansion and changes in money stock

£ million, seasonally adjusted



¹Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government								
	Receipts[2]		Expenditure						
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers				
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending, etc.[3]	Total
1975	38,547	4,439	23,074	5,064	14,353	1,196	4,211	3,755	51,653
1976	44,709	5,223	26,779	5,483	17,015	1,435	5,394	2,365	58,471
1977	51,004	5,909	29,210	4,934	19,513	1,537	6,373	254	61,821
1978	56,682	6,463	32,928	4,743	23,226	2,025	7,244	1,690	71,856
1979	67,912	7,554	38,248	5,219	27,374	1,895	8,950	3,273	84,959
1980	83,271	8,819	48,114	5,774	32,489	2,282	11,285	3,466	103,410
1977 *3*	12,823	1,697	7,368	1,170	4,850	328	1,747	89	15,552
4	13,115	1,314	7,545	1,192	5,087	376	1,480	— 91	15,589
1978 *1*	14,117	1,720	7,974	1,483	5,663	695	1,995	75	17,885
2	13,532	1,500	8,071	962	5,724	408	1,455	440	17,060
3	13,890	1,691	8,249	1,143	5,784	442	1,951	730	18,299
4	15,143	1,552	8,634	1,155	6,055	480	1,843	445	18,612
1979 *1*	16,021	1,948	8,873	1,517	6,545	499	2,330	554	20,318
2	16,341	1,768	9,284	1,025	6,826	456	1,918	672	20,181
3	17,223	2,015	9,870	1,345	6,658	447	2,540	1,055	21,915
4	18,327	1,823	10,221	1,332	7,345	493	2,162	992	22,545
1980 *1*	20,765	2,119	11,010	1,712	7,815	599	3,144	155	24,435
2	18,831	2,231	11,649	1,140	8,077	531	2,328	1,437	25,162
3	21,584	2,220	12,443	1,402	8,069	625	3,288	1,176	27,003
4	22,091	2,249	13,012	1,520	8,528	527	2,525	698	26,810
1981 *1*	23,650	2,475	13,394	1,743	9,008	745	3,618	393	28,901
2									

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

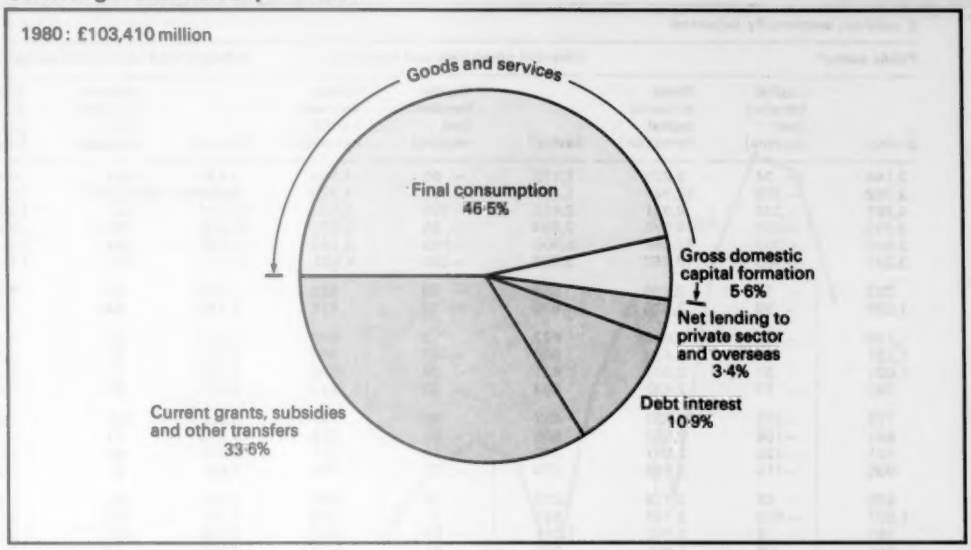
Financial transactions of the public sector

£ million

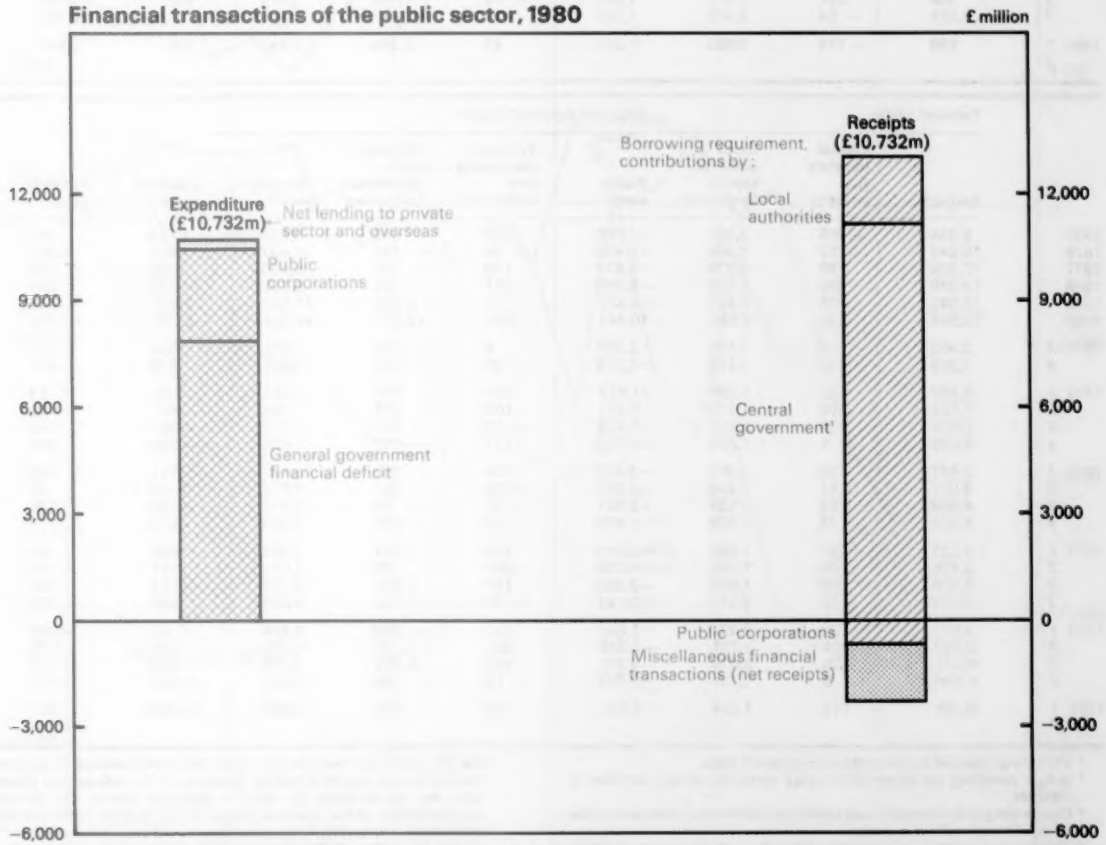
	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total [5]
1976	8,428	6,174	2,254	1,286	9,714	586	9,128	6,786	1,103	1,239	9,128
1977	5,876	4,654	1,222	129	6,005	10	5,995	4,469	183	1,343	5,995
1978	8,060	7,021	1,039	470	8,530	199	8,331	8,371	659	—699	8,331
1979	8,328	6,220	2,108	432	8,760	—3,827	12,587	10,430	1,784	373	12,587
1980	10,442	7,854	2,588	290	10,732	—1,573	12,305	11,154	1,877	—726	12,305
1977 *3*	1,673	943	730	23	1,696	753	943	210	269	464	1,031
4	1,325	1,251	74	—192	1,133	—834	1,967	1,884	—293	376	1,574
1978 *1*	2,154	1,973	181	—122	2,032	1,433	599	534	709	—644	1,295
2	1,837	1,588	249	148	1,985	—232	2,217	2,659	—136	—306	1,818
3	2,583	1,988	595	293	2,876	579	2,297	2,259	154	—116	2,445
4	1,486	1,472	14	151	1,637	—1,581	3,218	2,919	— 68	367	2,773
1979 *1*	2,334	1,795	539	167	2,501	1,035	1,466	247	1,000	219	2,163
2	1,816	1,400	416	226	2,042	—1,293	3,335	3,797	—226	—236	2,909
3	2,625	1,622	1,003	105	2,730	—1,094	3,824	2,842	650	332	3,776
4	1,553	1,403	150	—66	1,487	—2,475	3,962	3,544	360	58	3,739
1980 *1*	1,834	1,396	438	—125	1,709	2,927	—1,218	—1,956	1,394	—656	50
2	3,569	2,663	906	410	3,979	—869	4,848	4,619	555	—326	3,882
3	3,193	2,023	1,170	166	3,359	—432	3,791	3,246	338	207	3,993
4	1,846	1,772	74	—161	1,685	—3,199	4,884	5,245	—410	49	4,380
1981 *1*	2,498	2,383	115	—200†	2,298†	2,500†	—202	—175†	591	—618†	1,019
2							7,812†	7,405	340	67	6,463†

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net.)
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

General government expenditure



Financial transactions of the public sector, 1980



[1] Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

£ million, seasonally adjusted

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1975	2,149	− 34	9,820	1,112	− 65	1,563	9,692	404	9,453
1976	2,762	−203	10,987	1,981	− 97	1,920	13,259	357	13,770
1977	4,287	−232	9,931	2,413	−101	2,182	14,103	251	15,109
1978	2,616	−601	10,075	2,554	− 65	3,096	15,575	370	15,917
1979	3,519	−302	11,545	3,900	−193	3,780	17,536	320	22,184
1980	3,293	−483	13,252	5,726	−203	4,633	13,123	387	16,331
1976 *3*	393	− 53	2,696	555	− 29	522	3,343	92	3,795
4	1,005	− 98	2,626	670	− 29	511	3,770	94	4,189
1977 *1*	1,178	− 85	2,510	677	3	463	3,737	49	4,182
2	1,281	− 69	2,423	606	− 37	460	3,615	90	3,938
3	1,081	− 51	2,508	621	− 34	648	3,429	53	3,355
4	747	− 27	2,490	509	− 33	613	3,322	59	3,634
1978 *1*	773	−253	2,330	433	90	777	3,818	103	3,671
2	847	−108	2,592	606	− 52	816	4,238	79	4,030
3	161	−125	2,557	740	− 51	751	3,898	94	4,015
4	835	−115	2,596	775	− 52	752	3,621	94	4,201
1979 *1*	825	− 63	2,778	1,023	− 20	821	3,856	50	5,380
2	1,072	−105	2,746	921	− 57	1,118	4,783	106	4,791
3	781	− 78	3,092	1,061	− 59	862	4,655	102	5,997
4	841	− 56	2,929	895	− 57	979	4,242	62	6,016
1980 *1*	1,434	− 95	3,143	1,183	− 18	1,063	4,796	32	5,218
2	504	−123	3,359	1,607	− 58	1,187	3,553	80	4,753
3	304	−201	3,374	1,547	− 59	1,046	2,419	135	3,657
4	1,051	− 64	3,376	1,389	− 68	1,337	2,355	140	2,703
1981 *1*	688	−179	3,023	1,344	− 40	1,246	3,442	106	2,833
2									

	Personal sector			Financial Surplus/Deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1975	9,344	−305	3,397	−7,705	−516	643	5,642	1,674	262
1976	10,048	− 57	4,304	−8,428	− 36	− 154	5,687	1,060	1,871
1977	10,324	82	5,216	−5,876	130	− 755	5,190	206	1,105
1978	14,370	296	5,935	−8,060	−607	28	8,731	−776	684
1979	18,945	175	7,480	−8,328	− 73	−4,328	11,640	1,425	−336
1980	23,993	299	7,895	−10,442	890	−2,821	16,397	−2,763	−1,261
1976 *3*	2,970	− 10	1,141	−2,356	4	− 360	1,819	436	457
4	2,248	33	1,196	−1,719	130	− 325	1,085	378	451
1977 *1*	2,470	33	1,286	−1,417	217	− 398	1,217	362	17
2	2,222	16	1,272	−1,211	109	− 233	966	431	− 62
3	2,624	32	1,284	−1,478	− 59	127	1,372	−307	345
4	3,008	1	1,374	−1,770	−137	− 253	1,635	−280	805
1978 *1*	2,437	60	1,360	−1,810	−254	250	1,137	171	506
2	3,601	81	1,468	−1,853	−262	287	2,214	−428	42
3	4,028	82	1,539	−2,521	− 62	− 23	2,571	−100	135
4	4,304	73	1,568	−1,876	−29	− 486	2,809	−419	1
1979 *1*	4,229	33	1,566	−2,016	182	−1,474	2,696	655	− 43
2	3,478	56	1,701	−1,779	−254	98	1,833	151	− 49
3	5,079	35	1,896	−2,389	140	−1,240	3,218	113	158
4	6,159	51	2,317	−2,144	−141	−1,712	3,893	506	−402
1980 *1*	4,527	81	2,224	−1,804	102	− 390	2,384	− 86	−206
2	5,939	101	1,831	−2,978	362	−1,120	4,209	106	−579
3	6,921	125	2,073	−3,271	442	−1,103	4,973	−886	−155
4	6,606	− 8	1,767	−2,389	− 16	− 208	4,831	−1,897	−321
1981 *1*	5,701	113	1,924	−2,514	58	715	3,890	−2,366	217
2									

[1] Excluding financial transactions in writing-off debt.

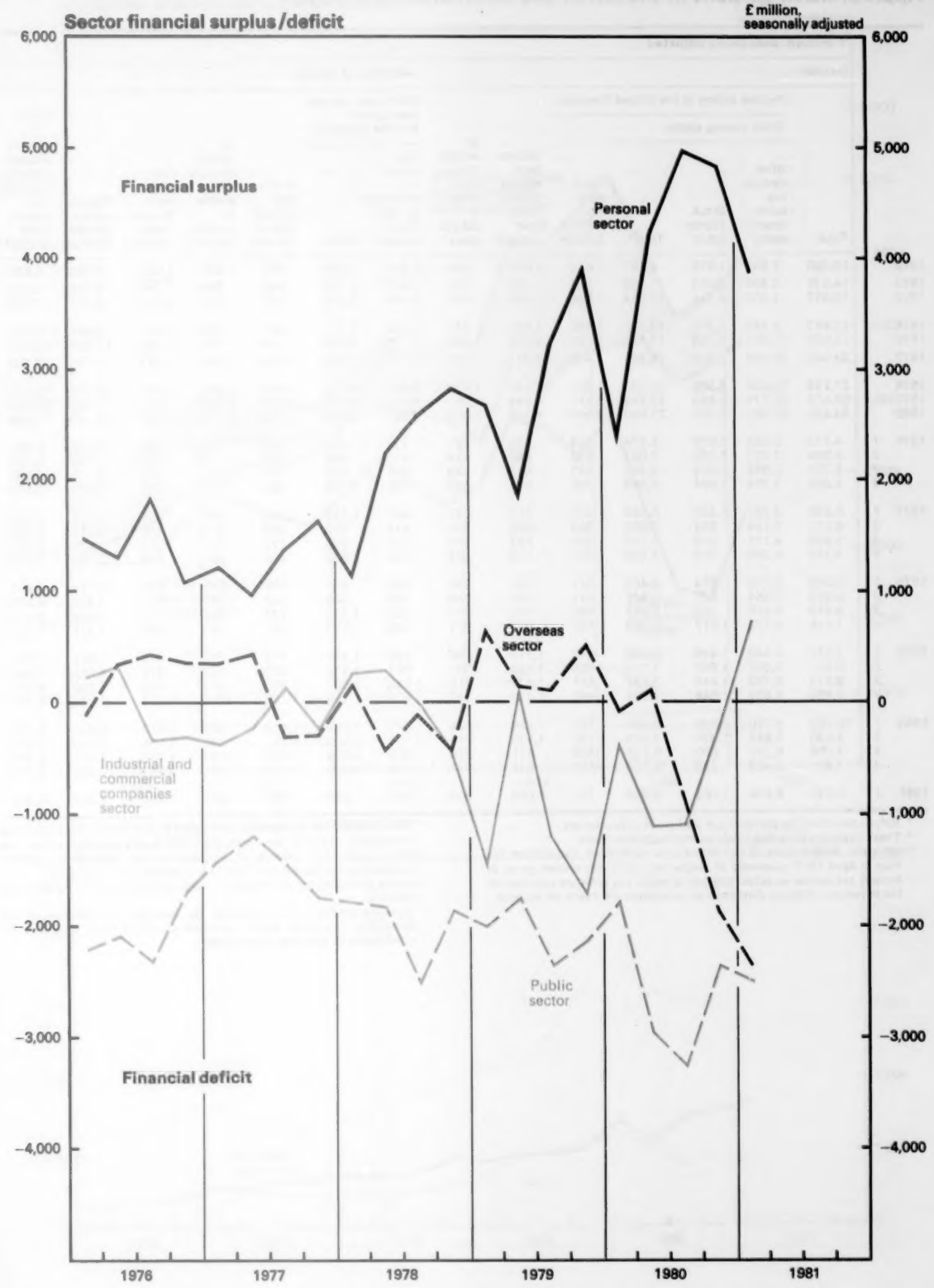
[2] Before providing for depreciation stock appreciation and addition to reserves.

[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.

[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.

[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. Because of the civil service dispute, data are not available for trade in goods in March. The financial surplus/deficit of the overseas sector in 1st quarter 1981 has been estimated by including figures for exports and imports of goods in the period December 1980/February 1981 as the goods component of net exports of goods and services in the 1st quarter of 1981.

[6] The residual error in the national income accounts.


Sector financial surplus/deficit
£ million, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1976
1977
1978
1979
1980
1981

Appropriation account of industrial and commercial companies

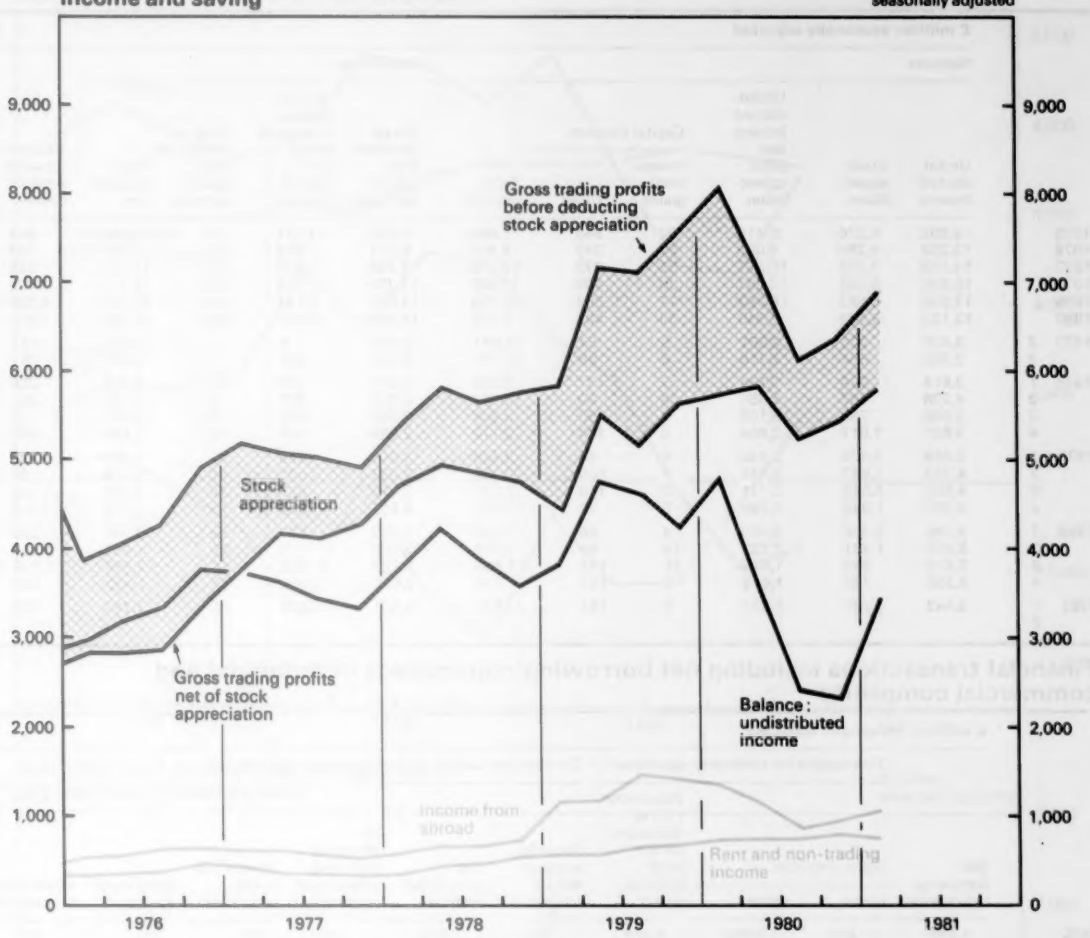
£ million, seasonally adjusted

		Income							Allocation of income						
			Income arising in the United Kingdom						Dividends, interest and current transfer payments						
			Gross trading profits												
		Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1972		10,398	7,692	1,075	8,767	605	1,026	395	1,524	1,529	549	321	1,036	5,760	5,686
1973		14,076	8,850	2,290	11,140	997	1,939	761	1,638	2,394	665	368	1,303	8,076	7,683
1974		15,637	7,500	4,714	12,214	1,280	2,143	791	1,469	3,376	525	260	2,070	8,197	7,666
1975		16,642	9,459	4,276	13,735	1,266	1,641	846	1,508	3,352	447	224	1,643	9,692	9,070
1976		21,030	11,867	5,256	17,123	1,559	2,348	1,340	1,725	3,879	744	204	1,423	13,259	12,123
1977		24,043	16,395	3,836	20,231	1,498	2,314	1,085	2,119	3,754	1,752	1,150	2,315	14,103	14,168
1978		27,183	19,329	3,368	22,697	1,820	2,666	1,022	2,551	4,182	1,928	984	2,947	15,575	15,537
1979		35,519	20,776	6,983	27,759	2,511	5,249	1,360	4,104	6,173	3,833	2,366	3,873	17,536	18,542
1980		34,880	22,297	5,283	27,580	3,004	4,296	1,096	3,968	8,096	4,130	2,709	5,563	13,123	14,736
1976	*1*	4,732	2,826	1,048	3,874	333	525	325	424	859	196	93	300	2,953	2,721
	2	4,994	2,825	1,236	4,061	368	565	318	420	888	135	−5	358	3,193	2,870
	3	5,296	2,862	1,418	4,280	393	623	349	431	972	193	−11	357	3,343	2,983
	4	6,008	3,354	1,554	4,908	465	635	348	450	1,160	220	127	408	3,770	3,549
1977	*1*	6,235	3,792	1,402	5,194	431	610	267	497	1,103	368	235	530	3,737	3,705
	2	6,062	4,194	902	5,096	363	603	278	511	929	458	316	549	3,615	3,653
	3	5,962	4,111	928	5,039	360	563	266	548	900	472	318	613	3,429	3,481
	4	5,784	4,298	604	4,902	344	536	274	563	822	454	281	623	3,322	3,329
1978	*1*	6,362	4,728	674	5,402	367	593	230	606	834	435	273	669	3,818	3,861
	2	6,958	4,954	887	5,841	441	676	258	638	986	433	269	663	4,238	4,249
	3	6,819	4,875	790	5,665	480	674	307	609	1,124	473	252	715	3,898	3,843
	4	7,044	4,772	1,017	5,789	532	723	227	698	1,238	587	190	900	3,621	3,584
1979	*1*	7,612	4,440	1,426	5,866	572	1,174	296	759	1,411	708	277	878	3,856	3,837
	2	8,947	5,506	1,667	7,173	589	1,185	307	807	1,414	969	733	974	4,783	5209,
	3	9,274	5,192	1,944	7,136	661	1,477	415	1,065	1,592	1,000	800	962	4,655	5,040
	4	9,686	5,638	1,946	7,584	689	1,413	342	1,473	1,756	1,156	556	1,059	4,242	4,456
1980	*1*	10,163	5,750	2,336	8,086	719	1,358	439	843	1,960	1,142	949	1,422	4,796	5,306
	2	9,030	5,842	1,331	7,173	731	1,126	271	1,101	2,070	1,192	686	1,114	3,553	3,968
	3	7,756	5,252	880	6,132	753	871	214	983	2,074	823	539	1,457	2,419	2,744
	4	7,931	5,453	736	6,189	801	941	172	1,041	1,992	973	535	1,570	2,355	2,718
1981	*1*	8,736	5,804	1,101	6,905	767	1,064	353	815	1,889	924	557	1,666	3,442	3,646

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.
[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

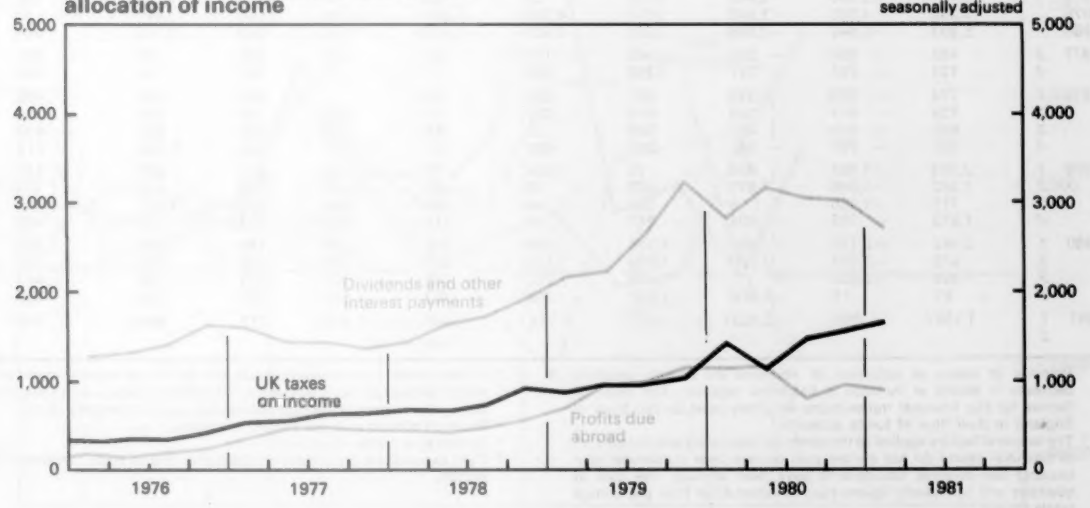
Industrial and commercial companies income and saving

£ million, seasonally adjusted



Industrial and commercial companies allocation of income

£ million, seasonally adjusted



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

		Receipts						Expenditure				
		Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Capital transfers: Investment grants	Capital transfers: Other	Total receipts	Gross domestic fixed capital formation	Value of physical increase of stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: Financial surplus/deficit
1975		9,692	4,276	5,416	96	346	5,858	6,908	−1,731	38	5,215	643
1976		13,259	5,256	8,003	58	342	8,403	8,111	403	43	8,557	− 154
1977		14,103	3,836	10,267	32	279	10,578	9,703	1,570	60	11,333	− 755
1978		15,575	3,368	12,207	29	409	12,645	11,793	756	68	12,617	28
1979		17,536	6,983	10,553	17	389	10,959	13,057	2,144	86	15,287	−4,328
1980		13,123	5,283	7,840	33	462	8,335	14,539	−3,491	108	11,156	−2,821
1977	*3*	3,429	928	2,501	6	54	2,561	2,422	5	7	2,434	127
	4	3,322	604	2,718	8	58	2,784	2,646	384	7	3,037	− 253
1978	*1*	3,818	674	3,144	7	137	3,288	2,897	100	41	3,038	250
	2	4,238	887	3,351	8	80	3,439	2,942	201	9	3,152	287
	3	3,898	790	3,108	8	92	3,208	2,965	260	6	3,231	− 23
	4	3,621	1,017	2,604	6	100	2,710	2,989	195	12	3,196	− 486
1979	*1*	3,856	1,426	2,430	5	93	2,528	3,046	908	48	4,002	−1,474
	2	4,783	1,667	3,116	7	109	3,232	3,033	91	10	3,134	98
	3	4,655	1,944	2,711	2	110	2,823	3,416	637	10	4,063	−1,240
	4	4,242	1,946	2,296	3	77	2,376	3,562	508	18	4,088	−1,712
1980	*1*	4,796	2,336	2,460	4	86	2,550	3,552	− 670	58	2,940	− 390
	2	3,553	1,331	2,222	10	86	2,318	3,590	− 168	16	3,438	−1,120
	3	2,419	880	1,539	11	143	1,693	3,727	− 950	19	2,796	−1,103
	4	2,355	736	1,619	8	147	1,774	3,670	−1,703	15	1,982	− 208
1981	*1*	3,442	1,101	2,341	7	157	2,505	3,551	−1,819	58	1,790	715
	2											

Financial transactions including net borrowing requirement of industrial and commercial companies

£ million, seasonally adjusted

		Financing of net borrowing requirement[1,2]			Transactions leading to net borrowing requirement						
		Net borrowing requirement	Borrowing from: Banks	Borrowing from: Other	Acquisition (+) of liquid and certain other financial assets	Financial surplus/deficit[3] (deficit: +)	Net unremitted profits[4]	Net identified trade and other credit received[5]	Investment in UK securities[6]	Investment abroad	Unidentified transactions
1975		1,148	− 482	−2,994	2,328	− 643	622	− 292	367	287	807
1976		2,662	−2,398	−2,737	2,473	154	1,136	399	857	666	− 550
1977		1,521	−2,966	−2,292	3,737	755	− 65	50	687	791	− 697
1978		2,481	−2,890	−2,543	2,952	− 28	38	− 44	765	2,140	− 390
1979		5,850	−4,903	−1,948	1,001	4,328	−1,006	−2,022	1,054	3,411	85
1980		5,533	−6,640	−2,096	3,203	2,821	−1,613	678	903	2,150	594
1977	*3*	− 103	− 954	− 509	1,566	− 127	− 52	161	195	84	− 364
	4	− 127	− 754	− 371	1,252	253	− 7	− 27	197	52	− 595
1978	*1*	774	− 393	−1,278	897	− 250	− 43	2	179	300	586
	2	536	− 971	− 183	618	− 287	− 11	101	155	206	372
	3	691	− 819	− 421	549	23	55	266	225	552	− 430
	4	480	− 707	− 661	888	486	37	− 413	206	1,082	− 918
1979	*1*	2,384	−1,981	− 474	71	1,474	19	− 140	205	947	− 121
	2	1,242	−1,085	−1,079	922	− 98	− 426	− 437	235	633	1,335
	3	711	−1,085	9	365	1,240	− 385	− 781	261	1,057	− 681
	4	1,513	− 752	− 404	− 357	1,712	− 214	− 664	353	774	− 448
1980	*1*	3,947	−2,114	− 694	−1,139	390	− 510	1,365	169	908	1,625
	2	679	−2,107	120	1,308	1,120	− 415	− 270	174	790	− 720
	3	994	−2,430	− 7	1,443	1,103	− 325	175	423	80	− 462
	4	− 87	11	−1,515	1,591	208	− 363	− 592	137	372	151
1981	*1*	1,138†	975	−2,638†	525†	−715†	− 204	1,330†	217	905†	− 395†
	2										

[1] Increase in assets or reduction in liabilities are shown positive; decrease in assets or increase in liabilities negative. The seasonal factors for the financial transactions are those used by the Bank of England in their flow of funds accounts.

[2] The seasonal factors applied to the series for borrowing and acquisition of financial assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. The sum of quarterly and half-yearly figures may therefore differ from the annual totals shown.

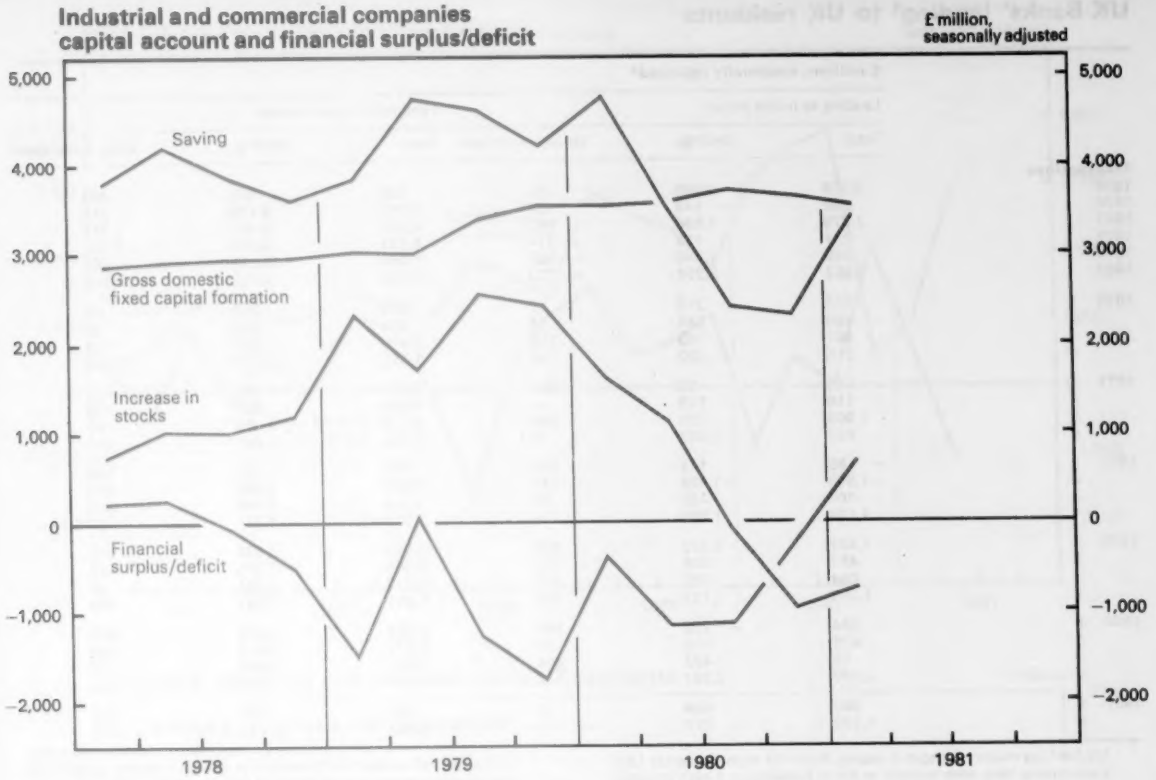
[3] Following the sign convention adopted for the net borrowing requirement a surplus on the financial surplus/deficit is shown with a negative sign – the reverse of the sign convention used in the table above.

[4] Retained abroad or in the United Kingdom.

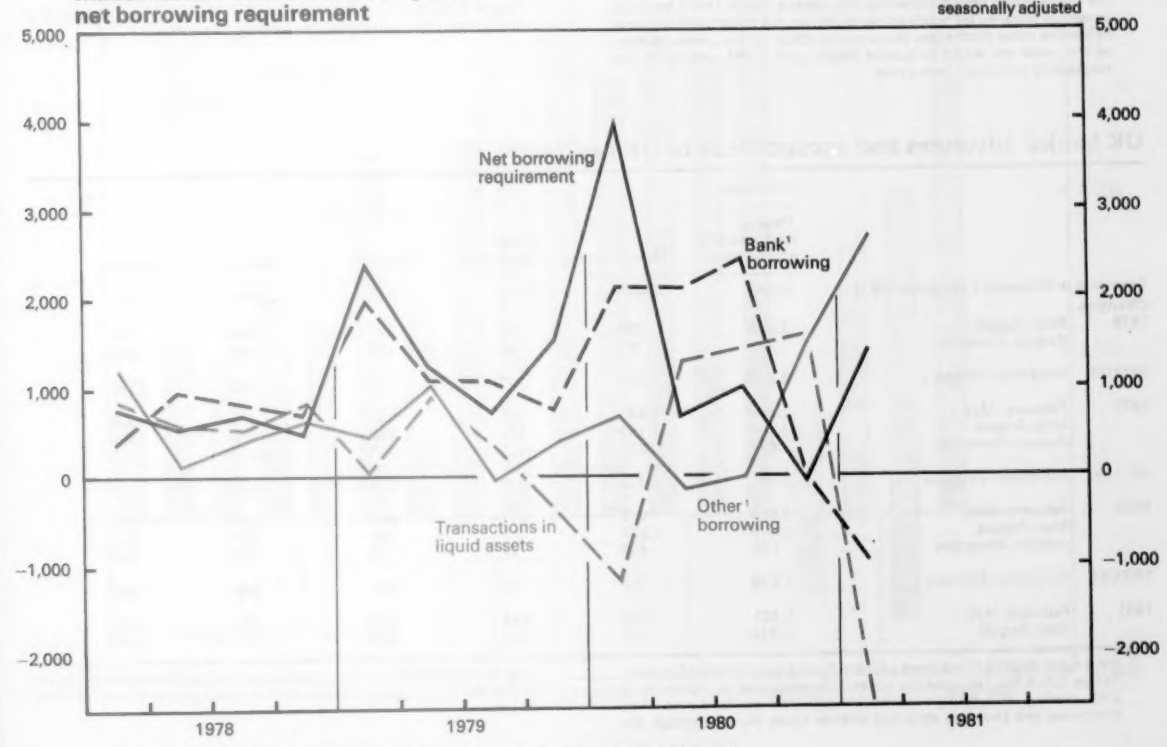
[5] Including accruals adjustment (−).

[6] Cash expenditure on acquiring subsidiaries and on trade investment in the UK.

Industrial and commercial companies capital account and financial surplus/deficit



Industrial and commercial companies net borrowing requirement



[1] Following the sign convention adopted for the net borrowing requirement, a surplus on the financial surplus/deficit is shown with a negative sign — a reverse of the sign convention used in the table.

UK Banks' lending[1] to UK residents

£ million, seasonally adjusted[2]

		Lending to public sector			Lending to private sector		
		Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions							
1975		3,379	3,096	283	124	— 373	497
1976		288	— 146	434	3,387	3,138	249
1977		2,378	1,696	682	4,707	3,492	1,215
1978		— 291	123	— 414	5,791	4,710	1,081
1979		955	1,540	— 585	9,481	8,573	908
1980		1,652	2,374	— 722	10,882	9,622	1,260
1976	*1*	329	312	17	308	372	— 64
	2	— 490	— 544	54	595	675	— 80
	3	901	743	158	1,170	1,017	153
	4	— 215	— 420	205	1,313	1,073	240
1977	*1*	565	62	503	1,013	459	554
	2	— 118	— 118	—	1,035	875	160
	3	1,009	760	249	1,379	1,318	61
	4	937	1,007	— 70	1,281	841	440
1978	*1*	— 85	144	— 229	996	797	199
	2	—1,668	—1,428	— 240	1,868	1,393	475
	3	360	420	— 60	1,614	1,299	315
	4	1,115	1,000	115	1,313	1,221	92
1979	*1*	—1,424	—1,272	— 152	2,923	2,632	291
	2	457	608	— 151	2,555	2,070	485
	3	654	805	— 151	2,312	2,284	28
	4	1,002	1,133	— 131	1,691	1,587	104
1980	*1*	— 884	— 702	— 182	3,067	2,674	393
	2	425	403	22	3,577	2,579	998
	3	18	422	— 404	3,801	3,672	129
	4	2,093	2,251	— 158	437	697	— 260
1981	*1*	560	484	76	954	385	569
	2	—1,102	— 357	— 745	2,898	3,073	— 175

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

[4] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

[5] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.

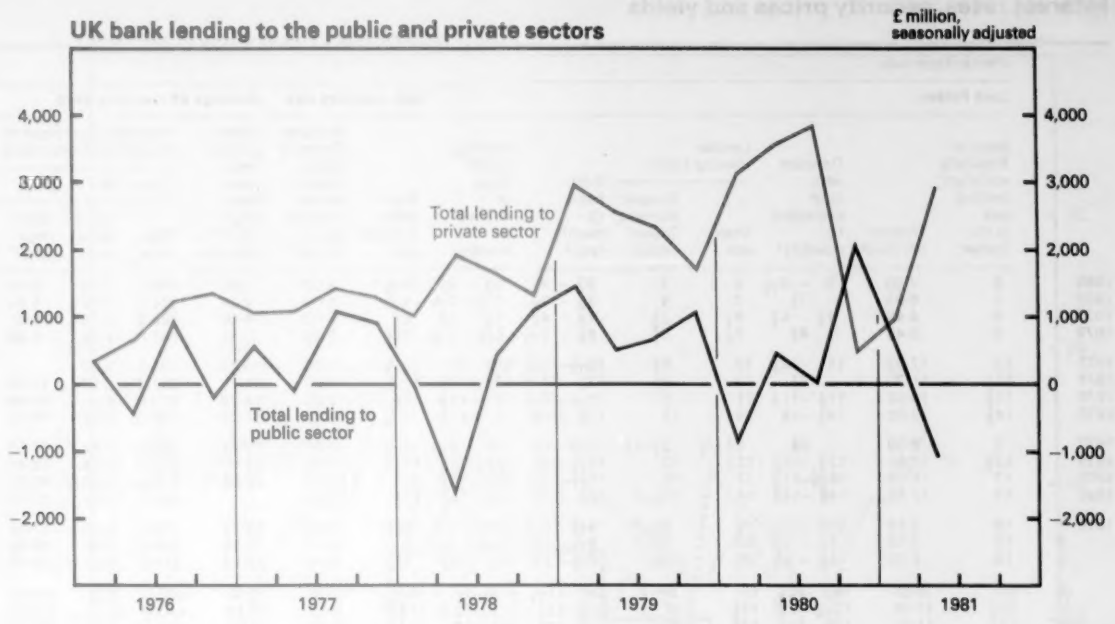
UK banks' advances and acceptances to UK residents[1]

£ million

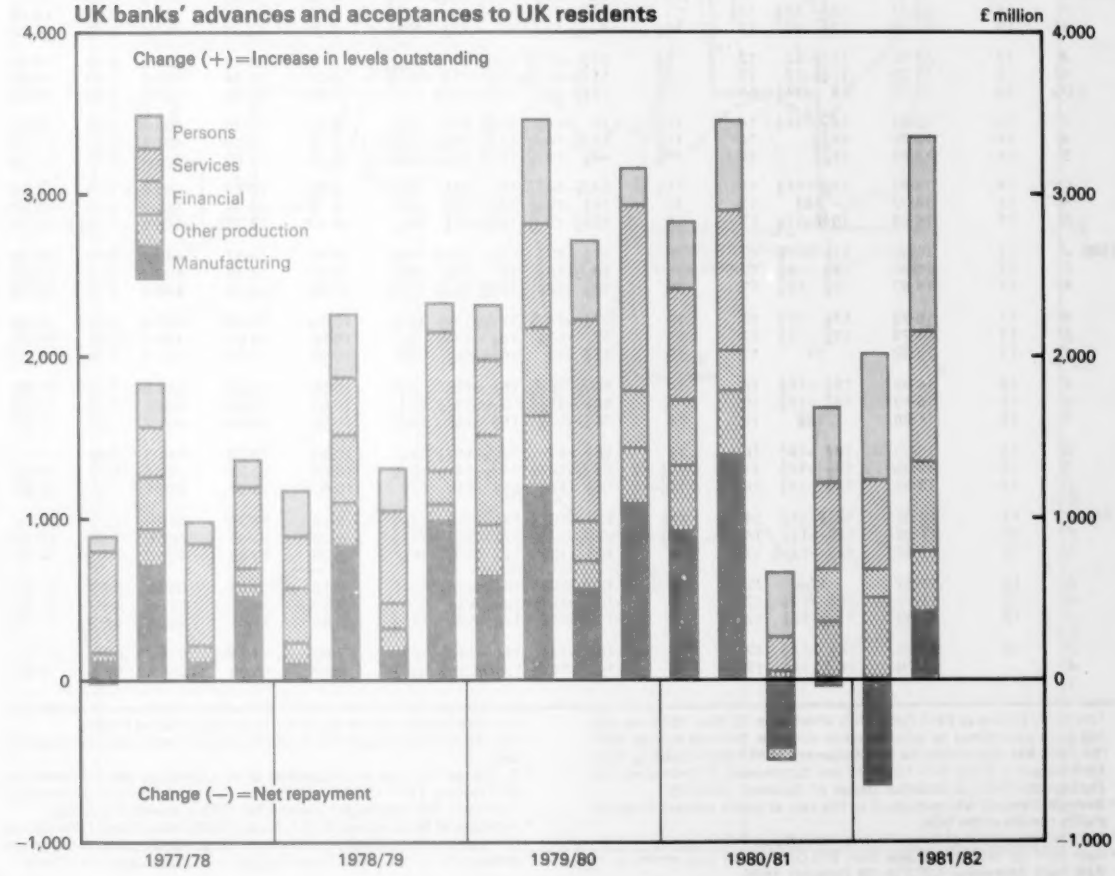
		Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (August 1981):		72,691	18,455	8,265	11,818	22,560	11,593
Changes							
1978	May–August	2,245	825	262	421	350	388
	August–November	1,299	166	145	155	569	264
1978/79	November–February	2,304	968	102	199	856	180
1979	February–May	2,305	633	332	531	472	338
	May–August	3,451	1,184	432	551	628	656
	August–November	2,681	541	181	248	1,228	483
1979/80	November–February	3,151	1,075	348	333	1,173	221
1980	February–May	2,818	912	411	382	699	415
	May–August	3,449	1,374	411	245	867	551
	August–November	153	—429	44	— 74	223	389
1980/81	November–February	1,628	352	—35	321	535	455
1981	February–May	1,401	—658	494	179	544	842
	May–August	3,342	417	363	562	792	1,208

[1] For a more detailed breakdown of these figures see Financial Statistics Tables 6.8–6.10. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

UK bank lending to the public and private sectors



UK banks' advances and acceptances to UK residents



Interest rates, security prices and yields

Percentage rate

	Last Friday							Last working day		Average of working days			
				London clearing banks							*Financial Times* index of industrial ordinary shares		
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	Base rate	Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated[8] (20 years)	1 July 1935 = 100		
											Price index	Dividend yield	Earnings yield[7]
1969	8	7·80	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/4 – 9 5/16	10 1/16†	5·00	9·05	419·8	4·43	5·82
1970	7	6·93	7 1/4	7	5	7 1/8 – 7 1/4	7 3/16 – 7 5/16	6 5/16	5·00	9·25	361·0	4·75	6·54
1971	5	4·46	4 1/2 – 4 5/8	4 1/2	2 1/2	4 3/8 – 4 1/2	4 3/8 – 4 1/2	5 1/8	5·00	8·90	386·2	4·76	6·21
1972	9	8·48	8 1/2	7 1/2	5 1/2	8 1/8 – 9 1/16	8 1/16 – 9 1/16	5 13/16	5·25	8·97	503·8	3·26	4·98
1973	13	12·82	16 –16 1/8	13	9 1/2	16 1/16–16 3/16	15 3/4 –16	10 7/16	7·50	10·78	435·6	4·12	..
1974	11 1/2	11·30	13 1/2	12	9 1/2	12 1/4 –12 1/16	12 3/8 –12 1/2	10 1/16	7·50	14·77	251·2	8·23	21·47
1975	11 1/2	10·93	11 1/2 –11 5/8	11	7	11 1/16–11 3/16	11 –11 1/8	5 1/2	7·00	14·39	311·0	6·81	19·49
1976	14 1/2	13·98	14 1/2 –15	14	11	14 1/8 –14 1/8	14 1/16–14 1/8	5 1/16	7·80	14·43	268·0	5·96	17·61
1977	7	6·39	6 1/2	6 1/2–7 1/2	3 1/2–4 1/2	6 3/16– 6 1/4	6 1/8 – 6 3/16	7 3/16	6·00	12·73	452·3	5·42	16·50
1978	12 1/2	11·91	12 1/8 –12 1/4	12 1/2	10	12 3/16–12 1/4	12 1/8 –12 1/4	11 1/16	8·00	12·47	479·4	5·65	16·47
1979	17	16·49	16 1/16–17 1/16	17	15	16 1/16–17 1/16	16 1/16–16 3/16	14 1/4	10·50	12·99	475·5	6·49	16·61
1980	14	13·45	14 1/8 –14 3/8	14	11 1/2–12	14 1/4 –14 3/8	14 1/4 –14 3/8	17 1/2	10·50		464·5	7·62	18·14
1978 *J*	10	9·33	10 1/4 –10 1/4	10	6 1/2–7	9 11/16–10 3/16	9 11/16– 9 11/16	8 11/16	6·70	12·72	472·2	5·62	17·06
A	10	9·03	9 1/4 – 9 1/2	10	6 1/2–7	9 3/16– 9 1/4	9 3/16– 9 3/16	9	6·70	12·55	508·8	5·28	15·88
S	10	9·38	9 1/2 – 9 5/8	10	6 1/2–7	9 3/16– 9 11/16	9 1/4 – 9 3/8	9 5/16	6·70	12·64	516·0	5·21	15·02
O	10	10·56	10 3/4 –10 7/8	10	6 1/2–7	10 3/8 –11 1/16	10 11/16–11	11 1/16	6·70	12·91	497·5	5·42	15·09
N	12 1/2	11·91	12 3/16–12 1/2	12 1/2	10	12 1/16–12 1/2	12 1/16–12 3/16	11 3/16	6·70	13·16	476·9	5·86	15·86
D	12 1/2	11·91	12 1/2 –12 5/8	12 1/2	10	12 1/16–12 3/8	12 3/8 –12 1/2	11 1/16	8·00	13·22	482·4	5·98	15·73
1979 *J*	12 1/2	12·46	13	12 1/2	10	13 –13 1/8	12 3/16–12 11/16	10 7/16	8·00	13·68	474·1	6·10	16·01
F	14	12·61	13 1/2 –13 3/8	13 1/2	11	12 7/8 –13 1/16	12 11/16–13	10 3/8	8·00	13·94	460·2	6·18	16·16
M	13	11·78	12 3/8 –12 1/2	13	10 1/2	12 1/16–12 1/16	12 –12 1/8	10 11/16	8·00	12·35	511·5	5·53	14·54
A	12	11·61	11 11/16–12	12	9 1/2	11 3/8 –11 11/16	11 3/16–11 11/16	10 7/8	8·00	11·68	537·4	5·37	14·31
M	12	11·79	11 11/16–12	12	9 1/2	11 11/16–11 15/16	11 3/8 –11 7/8	10 3/16	8·00	11·94	528·5	5·56	14·90
J	14	13·79	14 –14 1/2	14	11 1/2	13 11/16–14 1/8	13 1/16–13 11/16	10 11/16	8·00	12·69	489·5	5·93	15·82
J	14	13·81	14 1/16–14 1/8	14	11 1/2	14 –14 1/8	13 11/16–14 1/16	11 1/16	8·00	12·25	468·3	6·62	16·92
A	14	13·80	14 1/2	14	11 1/2	14 3/16–14 5/16	14 1/16–14 1/8	12 1/16	8·75	12·30	467·2	6·95	17·46
S	14	13·82	14 1/2	14	11 1/2	14 1/8 –14 5/16	13 11/16–14 1/8	12 1/8	8·75	12·60	468·4	6·95	17·75
O	14	13·94	14 1/2 –14 3/4	14	11 1/2	14 5/16–14 1/2	14 1/8 –14 3/8	15 1/16	8·75	13·16	465·4	7·13	17·55
N	17	16·77	16 7/8	17	15	16 3/8 –16 11/16	16 3/8 –16 1/2	14 7/16	8·75	14·54	415·9	7·88	19·07
D	17	16·49	16 11/16–17 1/16	17	15	16 11/16–17 1/16	16 1/16–16 1/8	14 1/16	10·50	14·72	419·8	7·70	18·78
1980 *J*	17	16·39	17 1/16 –17 1/8	17	15	17 1/16 –17 1/16	17 1/16 –17 1/8	14 13/16	10·50	14·17	440·7	7·43	18·42
F	17	16·80	18 1/16 –18 1/8	17	15	18 1/16–18 1/8	18 –18 1/16	16 3/16	10·50	14·45	460·7	7·17	17·64
M	17	16·97	18 1/8 –18 1/4	17	15	18 1/16–18 1/8	17 11/16–18 1/16	19 1/16	10·50	14·70	440·8	7·75	19·26
A	17	16·73	17 1/16 –17 1/8	17	15	17 1/16 –17 7/16	17 1/16–17 3/16	13 1/16	10·50	14·27	435·5	8·04	19·73
M	17	16·73	17 1/16 –17 1/8	17	15	17 –17 1/16	16 15/16–17 1/16	9 1/2	10·50	14·01	432·4	8·21	20·05
J	17	16·32	17	17	15	16 15/16–17	16 11/16–16 15/16	9 1/2	10·50	13·78	451·2	7·96	19·20
J	16	14·98	15 1/16 –15 1/8	16	14	15 3/16–15 5/16	15 1/16 –15 3/16	9 1/16	10·50	13·07	488·5	7·42	17·96
A	16	15·53	16 1/16 –16 3/16	16	14	16 1/16 –16 1/8	16 1/16–16 1/8	12 1/16	10·50	13·58	484·9	7·48	17·68
S	16	14·86	15 15/16	16	14	15 11/16–17 1/16	15 15/16 –15 1/16	13 1/16	10·50	13·38	491·7	7·45	17·28
O	16	14·90	16 1/16 –16 3/16	16	14	16 1/16 –17	16 1/16–16 11/16	15 1/16	10·50	13·12	483·8	7·59	17·14
N	14	13·38	14 1/16 –14 1/8	14	11 1/2–12	14 1/16–14 1/16	14 1/16–14 1/16	18 1/16	10·50	13·22	493·4	7·35	16·43
D	14	13·58	14 1/8 –14 1/8	14	11 1/2–12	14 1/8 –14 1/8	14 1/8 –14 1/8	17 1/2	10·50	13·67	470·1	7·56	16·93
1981 *J*	14	13·02	13 11/16–13 7/8	14	11 1/2	13 1/8 –13 11/16	13 1/16 –13 1/8	17 7/16	9·25	13·96	459·6	7·78	17·44
F	14	11·93	12 1/8 –12 1/4	14	11 1/2	12 7/16–12 1/16	12 1/16 –12 1/8	16 1/16	9·25	13·89	487·0	7·35	16·38
M	12	11·87	12 1/4 –12 1/16	12	9	12 1/8 –12 1/4	12 1/16 –12 1/8	14 1/8	9·25	13·68	497·8	6·78	14·39
A	12	11·57	12 3/16	12	9	12 3/16–12 1/8	12 1/16 –12 3/16	16 31/32	8·50	13·64	559·2	5·88	11·57
M	12	11·70	12 1/8 –12 1/8	12	9	12 7/16–12 5/16	12 1/16 –12 1/8	17 1/4	8·50	14·31	557·8	5·91	11·59
J	12	12·33	12 7/16–12 1/2	12	9	12 7/16–12 1/2	12 1/8 –12 1/16	17 1/16	8·50	14·57	545·0	5·92	11·73
J	12	14·25	14 1/8 –14 1/4	12	9	14 1/8 –14 1/4	14 1/16 –14 3/16	18 1/4	8·50	15·14	528·2	6·01	11·70
A	..	13·70	14 1/16–14 1/8	12	9	14 –14 1/16	13 1/16–13 1/16	18 1/16	8·50	15·09	554·4	55·1	9·83
S													

[1] Previously known as Bank Rate. With effect from 25 May 1978 the rate has been determined by administrative decision. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics* (*HMSO*).

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

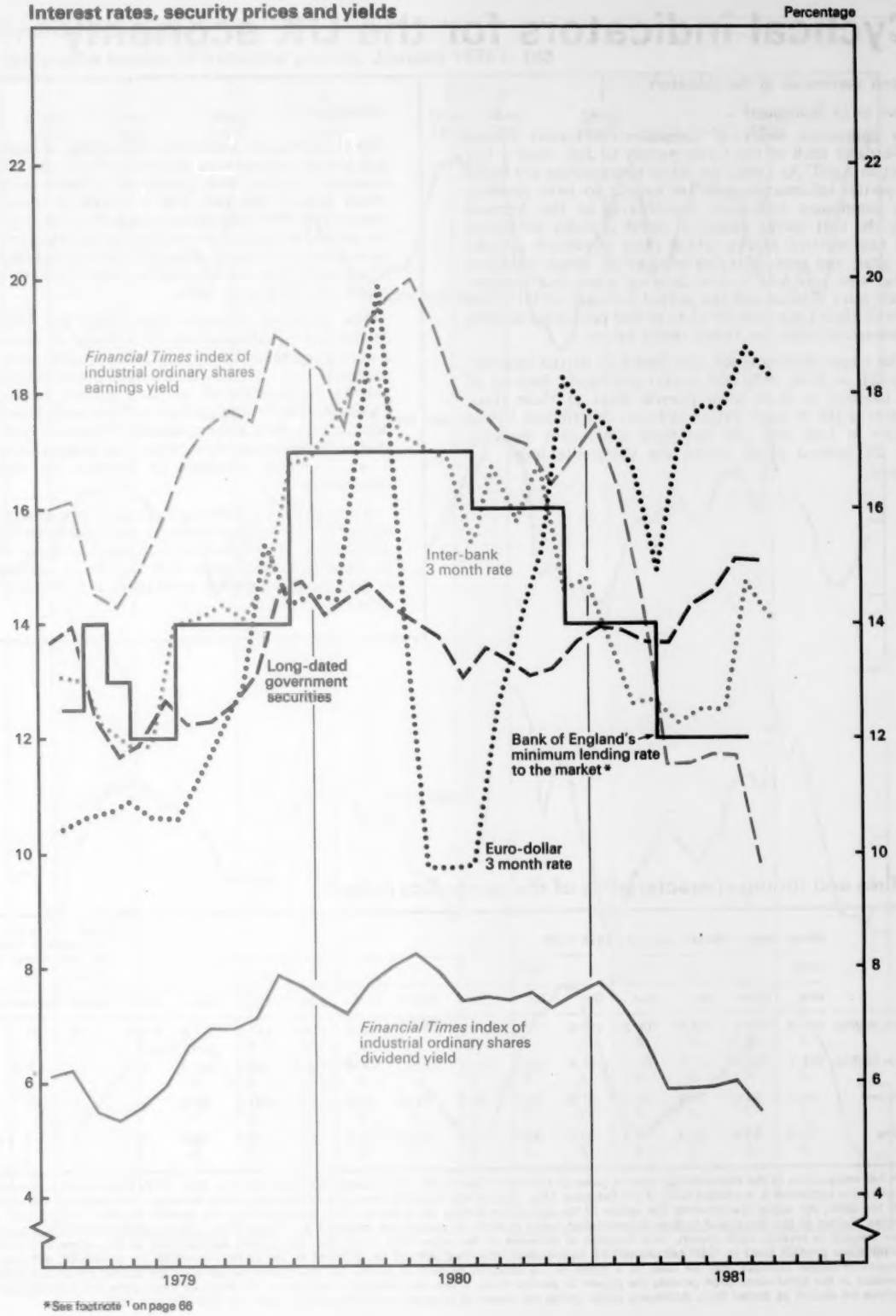
[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.

[8] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week). Calculated gross redemption yields – see *Financial Statistics Explanatory handbook*.

Interest rates, security prices and yields



*See footnote [1] on page 66

Cyclical indicators for the UK economy

Recent movements of the indicators

(*Data to 15 September*)

The composite index of coincident indicators moved upwards in each of the three months to July from a low point in April. As usual, the latest observations are based on partial information and are subject to later revision. The component indicators contributing to this increase were the CBI survey questions about capacity utilisation and raw material stocks, which show significant upturns this year, and manufacturing production, which stabilised earlier this year and is now showing a marginal upturn. Retail sales volume and the output measure of GDP fell short of their long term trend rates and continued to have a downward effect on recent index values.

The longer leading index, also based on partial information, fell in June, July and August principally because of the increase in short term interest rates in these three months. Falls in share prices had also contributed to the decline in June and July but their subsequent recovery had an upward effect within the composite index for August.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

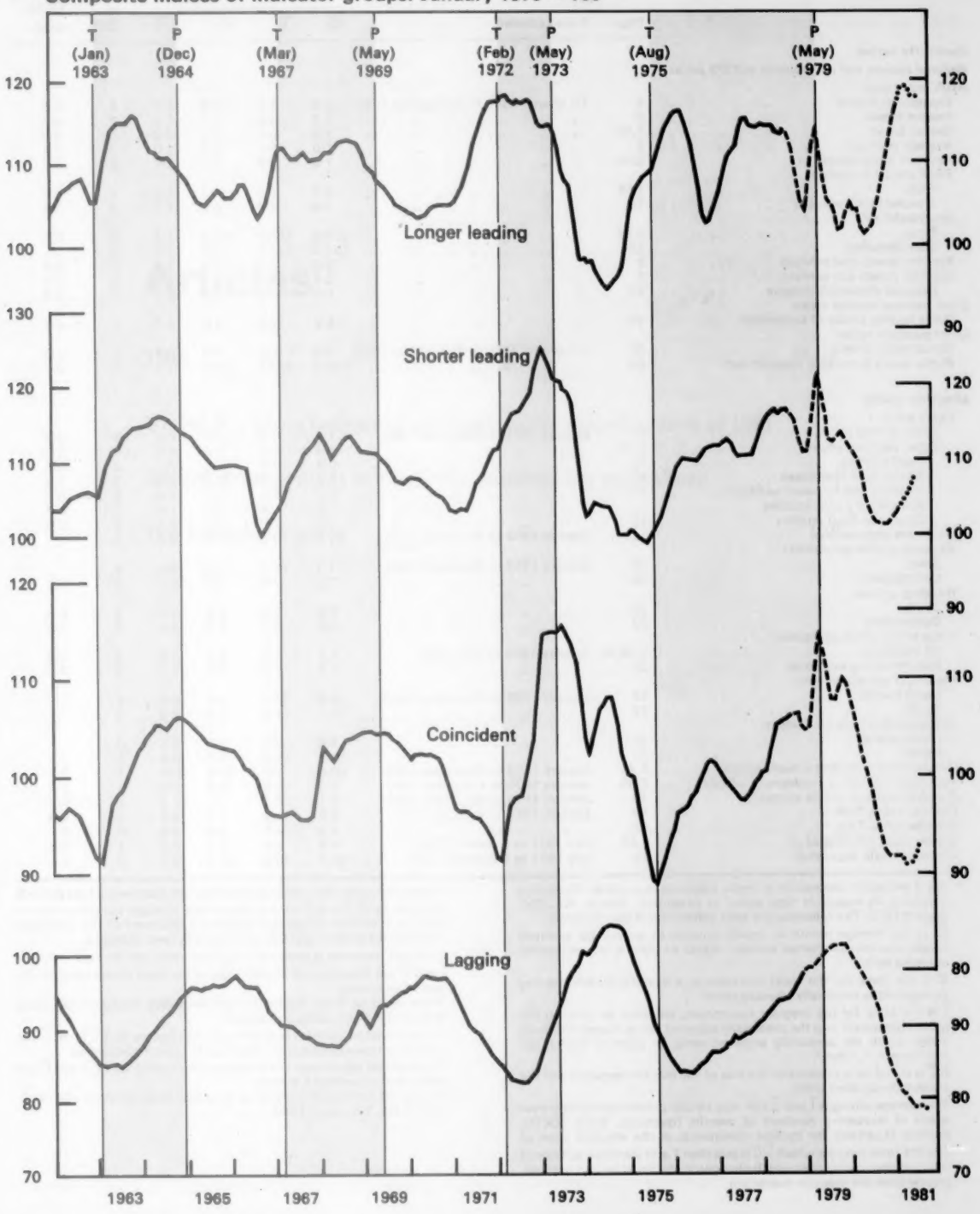
	Most recent values[2] January 1975 =100													Lead (−) or lag (+) in months relative to reference cycle dates		
	1980					1981										
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Mean	Earliest	Latest
Longer leading	102·2	104·1	106·0	108·2	110·6	112·9	115·5	117·1	118·5	119·0	118·5	117·9	117·7	−13	−21	− 7
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*4*	*2*			
Shorter leading	101·7	101·4	101·1	101·0	101·4	102·2	102·8	103·8	104·4	105·3	106·0	107·3	—	− 5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*4*				
Coincident ..	95·6	94·0	92·3	91·7	91·6	91·5	91·6	91·5	90·8	91·0	91·5	92·5	—	+ 1	− 1	+ 5
	7	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*5*	*5*	*5*	*4*				
Lagging ..	92·4	89·9	87·4	84·7	83·1	82·1	80·9	80·6	79·9	79·1	78·7	78·9	78·7	+10	+ 3	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I/C}$	MCD or QCD	$\overline{I/C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1980	1·5	1·0	0·8	1·3	2	0·6
Income based	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·7	0·7	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·3	0·9	0·8	1·1	2	0·5
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·5	1·0	1·5	2	0·7
Manufacturing industry	18	" " " " " " "	3·6	2·4	2·1	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·5*	*152·0*	*125·0*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*151·4*	*103·2*	*84·8*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·3	2·7	1·8	1·5	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	2·1	1·7	1·3	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·0	1·3	0·8	1	0·8
Other national income series								
Gross trading profits of companies	60	" " " " " " "	5·2	2·8	4·0	0·7	1	0·7
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1980	2·2	1·2	1·5	0·8	1	0·8
Public sector borrowing requirement[3]	56	" " 1971 " " " "	*542·4*	*397·1*	*224·2*	1·8	2	0·7
Monthly series								
Retail sales								
Total: current prices	12	January 1971 to December 1980	1·8	1·3	1·1	1·3	2	0·6
Total: constant prices	5,12	" " " " "	1·4	1·4	0·4	4·0	5	0·9
Food retailers	12	" " " " "	0·6	0·6	0·3	2·1	3	0·8
Mixed retail businesses	12	" " " " "	1·4	1·2	0·5	2·5	3	0·9
Clothing and footwear retailers	12	" " " " "	2·1	2·0	0·4	4·8	6	0·8
Household goods retailers	12	" " " " "	1·9	1·6	0·9	1·8	3	0·7
Other non-food retailers	12	" " " " "	1·2	1·0	0·4	2·3	3	0·8
Cars: new registrations	12	October 1974 to December 1980	10·8	10·8	1·1	9·9	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1980	12·2	12·0	1·9	6·3	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing: private								
Starts	20	" " " " "	8·8	8·6	2·5	3·4	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to June 1981	1·1	1·0	0·5	1·8	3	0·8
Manufacturing industries	26	" " " " "	1·5	1·3	0·6	2·3	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1980	12·8	12·6	1·9	6·6	6	
Export	32	" " " " "	12·1	11·9	1·3	9·2	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·8	9·4	1·7	5·5	6	
Export	32	" " " " "	11·1	10·8	2·0	5·5	6	
Unemployed excluding school-leavers[5]	5,36	January 1970 to December 1980	*20·8*	*5·8*	*19·6*	0·3	1	0·3
Vacancies notified to employment offices[5]	5,36	January 1970 to December 1980	*7·2*	*2·6*	*6·7*	0·4	1	0·4
Average earnings: whole economy	40	January 1976 to December 1980	1·1	0·2	1·1	0·2	1	0·2
Exports: value, f.o.b.[7]	48	January 1963 to February 1981	4·8	4·5	1·3	3·5	4	0·9
Imports: value, f.o.b.[7]	48	" " " " "	4·5	4·2	1·4	2·9	4	0·7
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

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United Kingdom balance of payments in the second quarter of 1981

Figures for visible trade in 1981 are as yet available only for January and February because of the Civil Service dispute. The dispute ended in August. Plans for the resumed publication of the trade statistics have recently been announced.

Figures for the balance of payments accounts in the first and second quarters have so far been prepared only for invisibles and capital transactions. The current balance cannot be taken as the counterpart of identified investment and other capital transactions because of the large and erratic balancing item.

Summary

There was a surplus of £0·4 billion on *invisibles* (seasonally adjusted) in the second quarter. This follows the exceptionally large surplus of £1·3 billion in the first quarter, associated with the repayment of the bulk of the refunds from the European Community negotiated in May 1980. The surplus on private sector services and IPD amounted to £1·53 billion. The fall compared with the first quarter figure of £1·75 billion was largely the result of a deterioration in the travel account and a fall in IPD.

There was an identified net outflow on *investment and other capital transactions* of £1·9 billion in the second quarter, following the net outflow in the first quarter now estimated at £3·4 billion.

The large outflow on portfolio investment overseas since the abolition of exchange control continued and is provisionally estimated to have amounted to £1·2 billion. Total UK private investment overseas is estimated at £2·3 billion in the second quarter, following £2·7 billion in the first.

UK banks' borrowing and lending transactions (other than export credit) resulted in a net outflow of £0·3 billion in the second quarter, a net inflow of sterling from private residents overseas partly offsetting an outflow on foreign currency business. This contrasts with the first quarter, when sterling lending far exceeded the increase in sterling deposits and, coupled with a large net outflow of foreign currency, resulted in total net outflows of £1·5 billion. Second quarter data on other UK residents' financial transactions ("Other external borrowing or lending" in Table F) are incomplete; in the first quarter there was a £0·3 billion net inflow from UK residents' transactions with banks abroad.

DETAIL

The exchange rate

The sterling exchange rate weakened over the quarter against the dollar, averaging £1 = $2·0771 during the quarter compared with £1 = $2·3095 for the previous quarter, a fall of 10 per cent. The effective exchange rate fell proportionately less; it averaged 97·8 for the quarter, compared with 101·4 in the first quarter of 1981 (average 1975 = 100). The sterling exchange rate against the Deutschemark averaged 4·728 in the second quarter compared with 4·814 in the first.

Visible trade

1981 figures are as yet available only for January and February because of the Civil Service dispute.

Invisibles

The exceptionally large surplus of £1·3 billion in the first quarter fell to £0·4 billion (seasonally adjusted) in the second quarter. Over £0·6 billion of this deterioration was on government transfers, while the surplus on private sector services fell by nearly £0·2 billion, and the surplus on IPD by £0·1 billion.

Summary balance of payments

TABLE A

£ million

	1979	1980	1980 1st qtr	1980 2nd qtr	1980 3rd qtr	1980 4th qtr	1981 1st qtr	1981 2nd qtr
			Seasonally adjusted					
Visible trade (balance)	−3,458	+1,178	− 385	− 322	+ 620	+1,265	..	..
Invisibles (balance):								
Services	+4,039	+4,188	+1,072	+1,037	+ 968	+1,111	+1,169	+ 985
Interest, profits and dividends ..	+ 846	− 38	+ 3	− 51	− 55	+ 65	+ 243	+ 149
Transfers	−2,290	−2,122	− 505	− 661	− 625	− 331	− 103	− 728
Total	+2,595	+2,028	+ 570	+ 325	+ 288	+ 845	+1,309	+ 406
Current balance	− 863	+3,206	+ 185	+ 3	+ 908	+2,110	..	..
			Not seasonally adjusted					
Current balance	− 863	+3,206	− 225	− 162	+1,209	+2,384	..	..
Investment and other capital transactions	+2,177	−1,475	− 450	+ 618	− 332	−1,311	−3,371	−1,899
Allocation of SDRs	+ 195	+ 180	+ 180	—	—	—	+ 158	—
Official financing:								
Official reserves (drawings on, +: additions to, −)	−1,059	− 291	− 457	− 140	+ 223	+ 83	− 319	+1,448
Other official financing	− 846	−1,081	− 232	− 106	− 502	− 241	—	−1,283
Balancing item	+ 396	− 539	+1,184	− 210	− 598	− 915	..	..

.. Indicates 'not available'.

Services

The surplus on services fell quite sharply in the second quarter, mainly as a result of an increase in imports of services. There was a particularly large increase in travel debits. On the credit side, buoyant financial and other services were offset by depressed figures for transport and travel.

There was a 1 per cent increase in the volume of imports of services, following the succession of quarter by quarter decreases which came to an end in the first quarter. Exports of services were slightly lower in value terms but there was a further fall of 5 per cent in volume terms in the second quarter, a continuation of the downward trend observed throughout last year.

Invisibles

TABLE B (See also Appendix Table 3)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	1st qtr	2nd qtr
Credits	23,694	25,764	7,158	6,435
Debits	21,099	23,736	5,849	6,029
Balance	+ 2,595	+ 2,028	+1,309	+ 406
of which:				
Private sector and public corporations: services and IPD	+ 6,260	+ 5,596	+1,751	+1,533
General government transactions and private transfers	— 3,665	— 3,568	— 442	—1,127

Sea transport

The earnings of UK dry cargo operators fell in the second quarter – freight on cross-trades, in particular, dropped back after a high first quarter. Earnings of UK tanker operators did not change – increases in charter receipts being offset by decreases in freight earnings.

Sea transport debits are, again, not separately identified for this quarter. Because of the Civil Service dispute one of the major components of the series (freight payments on UK dry cargo imports) cannot be estimated in the usual way.

Civil aviation

There was a fall in credits in the second quarter, mainly reflecting a decrease in expenditure in the United Kingdom by foreign airlines, resulting from a fall in the number of aircraft movements.

Debits, however, rose as UK airlines' payments abroad and revenue of overseas airlines both increased. These increases reflected the weakening of sterling and a rise in the number of UK residents travelling abroad.

Travel

The travel account slipped back into deficit in the second quarter after a surplus in the first quarter.

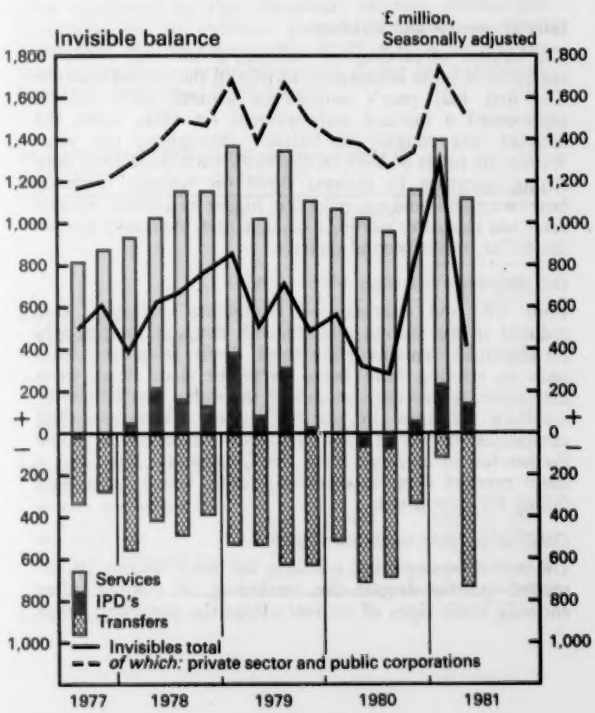
On the credit side of the account, expenditure in the United Kingdom by visitors from overseas resumed the downward trend experienced throughout 1980, after the improvement in the first quarter of 1981. Both the average expenditure per visit and the number of visitors fell – the number, in total, was about 12 per cent lower than in the corresponding quarter of 1980. There was a small increase in the number of visitors from North America but a considerable fall in visitors from Europe, associated perhaps with the contrasting movements of sterling against the dollar and European currencies.

Services

TABLE C (See also Appendix Table 4)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	1st qtr	2nd qtr
Credits				
Government	342	397	107	93
Sea transport	3,804	3,816	960	916
Civil aviation	1,755	2,210	603	581
Travel	2,797	2,965	710	674
Financial services	1,601	1,595	413	469
Other services	4,206	4,826	1,242	1,282
Total	14,505	15,809	4,035	4,015
Volume; total services credits (1975 = 100)	111·1	109·3	104·3	98·9
Debits				
Government	1,141	1,188	280	306
Sea transport	3,683	3,681	1,352	1,351
Civil aviation	1,467	1,815		
Travel	2,109	2,757	664	785
Other services	2,066	2,180	570	588
Total	10,466	11,621	2,866	3,030
Volume: total services debits (1975 = 100)	107·8	112·9	110·7	111·9
Balance	4,039	4,188	1,169	985
of which:				
Private sector and public corporations	4,838	4,979	1,342	1,198
General government	— 799	— 791	— 173	— 213

Expenditure overseas by visitors from the United Kingdom, on the other hand, resumed the upward trend experienced throughout 1980 after the dip in the first quarter of 1981. Both the number of UK visitors abroad, higher by about 6 per cent than in the corresponding quarter of 1980, and their average expenditure increased.



Financial and other services

Financial and other services were buoyant in the second quarter with insurance earnings, in particular, showing a marked increase.

Interest, profits and dividends

TABLE D (See also Appendix Table 5)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	1st qtr	2nd qtr
Credits				
Direct[1]	2,815	2,658	732	580
Portfolio	450	598	177	184
Export credit and £ lending by UK banks	741	970	287	291
Foreign currency borrowing and lending by UK banks (balance)	− 44	352	108	281
Other	3,917	3,626	850	753
Total	7,879	8,204	2,154	2,089
Debits				
Direct[1]	2,149	1,759	309	315
Portfolio	779	947	247	247
Sterling liabilities	915	1,588	474	494
Foreign currency borrowing by general government	576	518	93	164
Oil companies	1,940	2,655	579	480
Other	674	775	209	240
Total	7,033	8,242	1,911	1,940
Balance	846	− 38	243	149
of which:				
Private sector and public corporations	+1,422	+ 617	+ 409	+ 335
General government	− 576	− 655	− 166	− 186

[1] Excluding earnings of oil companies.

Interest, profits and dividends

The balance of earnings on interest, profits and dividends remained in quite substantial surplus in the second quarter. The first half year's surplus of around £400 million represented a marked improvement on 1980, when the account was roughly in balance throughout the year. Within the totals of both credits and debits there have been strong increases in interest flows on foreign currency borrowing and lending, reflecting higher eurodollar interest rates and the lower sterling exchange rate, especially against the dollar, in the second quarter.

Oil companies' earnings

Both UK and overseas oil companies' earnings were reduced in the second quarter with demand, particularly for chemicals, remaining depressed. Profits from operations such as refining have been worse hit than those from extraction, where the strength of the dollar has helped to maintain earnings in sterling terms. Overseas-owned companies in the United Kingdom experienced some further fall in earnings from the Continental Shelf but a more marked drop in onshore profits, which have been falling for over a year.

Other direct investment earnings

UK non-oil companies' earnings fell back sharply in the second quarter despite the weakening of sterling, after showing some signs of recovery from the depressed levels in mid-1980. Overseas companies' earnings in the United Kingdom, were little changed in the second quarter and have been low for the past year, reflecting the general condition of the UK economy.

Other IPD credits

Net interest inflows to UK banks on their foreign currency borrowing and lending more than doubled in the second quarter, continuing the upward trend since early 1980. Interest on the banks' sterling lending also continued to rise despite the downward trend of sterling interest rates; the level of such lending has risen strongly since the end of 1979. Interest earned by other UK residents on foreign currency deposits and other lending abroad (including the official reserves) also increased in the second quarter as a result of higher interest rates and the stronger dollar.

Other IPD debits

The main increases in the second quarter were in interest due abroad on foreign currency borrowing by UK residents, especially the public sector.

Transfers

TABLE E (See also Appendix Table 6)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	1st qtr	2nd qtr
Credits				
Private	760	793	193	210
Government – EC:				
Agricultural Fund	371	550	168	74
Social Fund	87	95	40	10
Regional Development Fund	71	173	18	24
Budget refunds	—	98	547	—
Other	21	42	3	13
Total	550	958	776	121
Debits				
Private	992	1,083	274	275
Government – EC:	1,626	1,783	535	530
–Bilateral aid	497	537	141	134
–Other	485	470	122	120
Balance	−2,290	−2,122	−103	−728

Transfers

General government receipts dropped considerably in the second quarter, after the exceptionally high first quarter figures attributable to the receipt of the bulk of the refunds from the European Community negotiated in May 1980. Receipts from the European Agricultural Guidance and Guarantee Fund were reduced by delays caused by the Civil Service industrial dispute.

Investment and other capital transactions

There was a net identified outflow of £1·9 billion as a result of investment and other capital transactions in the second quarter, little more than half as much as in the first quarter. Full information on private UK residents' transactions with banks abroad in the second quarter is not available at this stage, so the total figures are not strictly comparable.

The change between the two quarters resulted from a variety of factors. *UK banks' sterling lending* (other than for UK exports) was much lower, with a net outflow of £0·4 billion, following the exceptionally large outflow

of £1·2 billion in the first quarter. The reduced demand may have reflected a tendency of overseas residents in general to borrow less in the expectation of a fall in the sterling exchange rate. Despite the weakening of sterling there was an increased inflow to *sterling deposits with UK banks* amounting to £1·0 billion, following £0·3 billion in the first quarter. Holdings of *gilts* by overseas residents were little changed in the second quarter, with a rise in official holdings being offset by a fall in private holdings – the reverse of first quarter movements.

Investment and other capital transactions
TABLE F (See also Appendix Table 7)

	Not seasonally adjusted			
	£ million			
			1981	
	1979	1980	1st qtr	2nd qtr
Overseas investment in:				
UK public sector ..	+ 902	+ 582	+ 85	− 109
UK private sector ..	+3,405	+4,067	+ 594	+ 865[1]
UK private investment overseas	−6,555	−6,891	−2,671	−2,337[1]
Official long-term capital	− 401	− 125	− 124	− 110
Trade credit	− 777	−1,145	+ 12	− 435
Foreign currency borrowing or lending abroad by UK banks	+1,623	+2,024	− 580	− 791
Changes in external £ liabilities	+3,360	+3,815	+ 375	+1,080
External £ lending by UK banks[2]	+ 198	−2,462	−1,236	− 429
Other external borrowing or lending	+ 490	−1,103	+ 294	− 7[1]
Other transactions ..	− 68	− 237	− 120	+ 374
Total investment and other capital transactions ..	+2,177	−1,475	−3,371	−1,899

[1] Highly provisional estimate – see footnotes to Appendix Table 7.
[2] Excluding credit for UK exports.

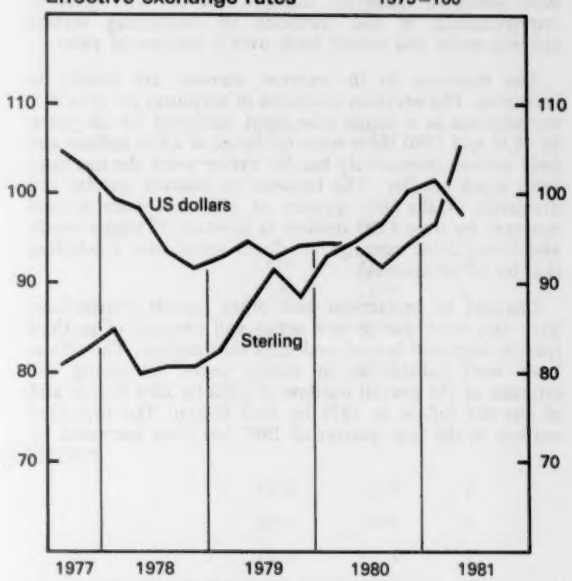
Overseas investment in the UK private sector recovered from the low first quarter figure with a turnround in non-oil companies' direct investment, which returned to more normal levels after erratic end-year movements. Over £100 million of new investment stemmed from the 'share raid' on the Eagle Star insurance group by a West German insurer in early June. There are signs that other investment was designed to relieve financial pressures on UK subsidiaries resulting from low profits. Net investment by oil companies fell back in the second quarter, particularly in the onshore sector, as a result of substantial dividend payments and a reduction in overseas debt. Net portfolio investment was larger than in recent quarters.

Outflows on account of *UK private investment overseas* were slightly lower though still large, with portfolio investment amounting to £1·2 billion. Direct investment was somewhat lower because of larger (seasonal) dividend payments in the second quarter and a resulting drop in unremitted profits.

The main areas in which outflows increased in the second quarter were *credit for UK exports*, which amounted to some £0·4 billion after a small net inflow in the first quarter. *Foreign currency borrowing and lending by UK banks* also showed a substantial net outflow, of £0·8 billion, slightly higher than in the first quarter after net inflows in 1980. These outflows largely represent the on-lending abroad of the substantial foreign currency deposits built up by UK residents with UK banks recently. They do not include transactions on behalf of HM Government, such as the repayment of a large part of the $2·5 billion facility.

Drawings of £1·4 billion from the official reserves in the second quarter were mainly associated with substantial repayments of official debt. Most of $2·5 billion euro-currency facility arranged with banks in 1974 was repaid, much of it ahead of schedule; the remainder was repaid in July. There were also repayments of borrowing under the exchange cover scheme and under the IMF oil facility.

Effective exchange rates Quarterly averages 1975=100



UK Continental Shelf oil and gas programme

Oil production was little changed in the second quarter, and the dollar price was cut, but the strengthening of the dollar exchange rate against sterling more than offset these downward effects. As a result, the sterling value of oil sales continued to rise. However, interest, profits and dividends due to overseas parent companies on their investment in the Continental Shelf was a little lower than in the first quarter because of higher tax provisions. Investment remained fairly strong.

UK Continental Shelf oil and gas programme
TABLE G (See also Appendix Table 13)

	Not seasonally adjusted			
			1981	
	1979	1980	1st qtr	2nd qtr
Volume of sales				
Gas (million terajoules)	1·5	1·4	0·5	0·3
Oil (million tonnes) ..	77·5	79·2	22·0	21·5
	£ million			
Value of sales				
Gas	538	620	231	153
Oil	5,689	8,852	2,821	3,010
Balance of payments entries				
Imports of goods ..	− 171	− 144	..	..
Imports *less* exports of services	− 436	− 469	− 101	− 118
IPD due abroad ..	−1,368	−2,205	− 531	− 476
Overseas investment in UKCS	+ 694	+ 646	+ 429	+ 333

See footnotes to Appendix Table 13.

Revisions

The figures given for 1980 and earlier years are consistent with those published by the CSO on 2 September in *United Kingdom Balance of Payments 1981 Edition.*

Figures for many categories of transactions have been revised. Some revisions, which result from later and more complete information affect mainly recent years. Others have stemmed from the introduction of new series or improvements in the methods of estimating certain existing series and extend back over a number of years.

The revisions to the current account are mainly to invisibles. The previous estimates of surpluses on invisibles transactions as a whole have been increased for all years. In 1979 and 1980 there were increases of £523 million and £442 million respectively but for earlier years the increases were much smaller. The balance on interest, profits and dividends in the first quarter of 1981 has been revised upwards by over £200 million as a result of higher credit and lower debit earnings on direct investment (including that by oil companies).

Changes to investment and other capital transactions have also been due to new series and changes of method (partly described below) and later information. The effects have been substantial in recent years, increasing the estimate of the overall outflow in 1980 by £0·6 billion and of the net inflow in 1979 by £0·7 billion. The identified outflow in the first quarter of 1981 has been increased by £0·8 billion; revised direct investment figures accounted for all of this change, though there were also changes elsewhere within the total, including those resulting from the introduction of new data (see below).

Changes in presentation

Changes in this year's Pink Book in the presentation of investment and other capital transactions have been carried into Tables 7, 8 and 12 of this article. These changes include the introduction of new series.

Data from the Bank for International Settlements, which stems from other countries' banking statistics, has been introduced primarily to replace information on borrowing by companies from banks abroad which was lost with the abolition of exchange control in 1979. This new data differs in coverage from the data it replaces. Moreover it includes a series for UK residents' deposits with banks abroad previously assumed to be negligible.

This new BIS data has been incorporated within a revised capital account presentation. Borrowing from banks abroad by UK residents (other than banks) was previously included mainly in 'Investment in the UK' but has now been included under a new heading 'Other external borrowing or lending' together with the newly-identified deposits with banks abroad and some short-term balances previously forming part of 'Other commercial short-term transactions'. External sterling lending by UK banks has been shown separately in the analyses in Tables 7 and 11.

Central Statistical Office

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APPENDIX

United Kingdom balance of payments
Summary

TABLE 1

£ million

	Seasonally adjusted						Not seasonally adjusted					
		Invisibles (balance)										
	Visible trade (balance)	Services	I.P.D.	Transfers	Total	Current balance	Current balance	Capital transfers	Investment and other capital transactions	Allocation of SDRs and gold subscription to IMF	Official financing	Balancing item
1970	− 34	+ 481	+ 554	− 178	+ 857	+ 823	+ 823	—	+ 545	+133	−1,420	− 81
1971	+ 190	+ 625	+ 502	− 193	+ 934	+1,124	+1,124	—	+1,790	+125	−3,271	+ 232
1972	− 748	+ 701	+ 538	− 244	+ 995	+ 247	+ 247	—	− 684	+124	+1,141	− 828
1973	−2,586	+ 786	+1,257	− 438	+1,605	− 981	− 981	−59	+ 166	—	+ 771	+ 103
1974	−5,351	+1,083	+1,415	− 420	+2,078	−3,273	−3,273	−75	+1,594	—	+1,646	+ 108
1975	−3,333	+1,519	+ 773	− 480	+1,812	−1,521	−1,521	—	+ 134	—	+1,465	− 78
1976	−3,929	+2,443	+1,365	− 760	+3,048	− 881	− 881	—	−3,073	—	+3,628	+ 326
1977	−2,284	+3,254	+ 104	−1,115	+2,243	− 41	− 41	—	+4,212	—	−7,361	+3,190
1978	−1,542	+3,711	+ 592	−1,822	+2,481	+ 939	+ 939	—	−4,260	—	+1,126	+2,195
1979	−3,458	+4,039	+ 846	−2,290	+2,595	− 863	− 863	—	+2,177	+195	−1,905	+ 396
1980	−1,178	+4,188	− 38	−2,122	+2,028	+3,206	+3,206	—	−1,475	+180	−1,372	− 539
1973 *1*	− 432	+ 158	+ 151	− 97	+ 212	− 220	− 376	−38	+ 120	—	− 27	+ 321
2	− 502	+ 199	+ 358	− 154	+ 403	− 99	− 20	−19	+ 401	—	− 99	− 263
3	− 674	+ 201	+ 289	− 93	+ 397	− 277	− 260	− 1	− 600	—	+ 618	+ 243
4	− 978	+ 228	+ 459	− 94	+ 593	− 385	− 325	− 1	+ 245	—	+ 279	− 198
1974 *1*	−1,239	+ 209	+ 404	− 99	+ 514	− 725	− 856	—	+ 514	—	+ 339	+ 3
2	−1,405	+ 256	+ 386	− 99	+ 543	− 862	− 847	−29	+ 685	—	+ 319	− 128
3	−1,323	+ 321	+ 314	− 94	+ 541	− 782	− 747	−40	+ 500	—	—	+ 287
4	−1,384	+ 297	+ 311	− 128	+ 480	− 904	− 823	− 6	− 105	—	+ 988	− 54
1975 *1*	− 944	+ 368	+ 201	− 73	+ 496	− 448	− 624	—	+ 99	—	+ 326	+ 199
2	− 713	+ 376	+ 142	− 146	+ 372	− 341	− 334	—	+ 90	—	+ 572	− 328
3	−1,030	+ 360	+ 180	− 112	+ 428	− 602	− 526	—	+ 256	—	+ 213	+ 57
4	− 646	+ 415	+ 250	− 149	+ 516	− 130	− 37	—	− 311	—	+ 354	− 6
1976 *1*	− 524	+ 563	+ 294	− 194	+ 663	+ 139	− 112	—	− 569	—	+ 678	+ 3
2	−1,048	+ 548	+ 350	− 167	+ 731	− 317	− 339	—	−1,786	—	+1,955	+ 170
3	−1,227	+ 648	+ 369	− 188	+ 829	− 398	− 243	—	− 687	—	+ 861	+ 69
4	−1,130	+ 684	+ 352	− 211	+ 825	− 305	− 187	—	− 31	—	+ 134	+ 84
1977 *1*	− 933	+ 730	+ 122	− 245	+ 607	− 326	− 635	—	+1,620	—	−1,913	+ 928
2	− 917	+ 818	− 16	− 281	+ 521	− 396	− 456	—	− 26	—	− 908	+1,390
3	− 166	+ 831	− 10	− 322	+ 499	+ 333	+ 570	—	+1,309	—	−2,608	+ 729
4	− 268	+ 875	+ 8	− 267	+ 616	+ 348	+ 480	—	+1,309	—	−1,932	+ 143
1978 *1*	− 562	+ 885	+ 56	− 545	+ 396	− 166	− 439	—	− 160	—	− 173	+ 772
2	− 159	+ 814	+ 225	− 410	+ 629	+ 470	+ 298	—	−2,243	—	+1,494	+ 451
3	− 557	+ 989	+ 172	− 480	+ 681	+ 124	+ 441	—	− 462	—	− 210	+ 231
4	− 264	+1,023	+ 139	− 387	+ 775	+ 511	+ 639	—	−1,395	—	+ 15	+ 741
1979 *1*	−1,426	+ 984	+ 396	− 521	+ 859	− 567	− 930	—	+ 531	+195	− 879	+1,083
2	− 515	+ 944	+ 91	− 522	+ 513	− 2	− 181	—	+ 917	—	− 758	+ 22
3	− 753	+1,032	+ 322	− 623	+ 731	− 22	+ 384	—	+ 242	—	− 297	− 329
4	− 764	+1,079	+ 37	− 624	+ 492	− 272	− 136	—	+ 487	—	+ 29	− 380
1980 *1*	− 385	+1,072	+ 3	− 505	+ 570	+ 185	− 225	—	− 450	+180	− 689	+1,184
2	− 322	+1,037	− 51	− 661	+ 325	+ 3	− 162	—	+ 618	—	− 246	− 210
3	+ 620	+ 968	− 55	− 625	+ 288	+ 908	+1,209	—	− 332	—	− 279	− 598
4	+1,265	+1,111	+ 65	− 331	+ 845	+2,110	+2,384	—	−1,311	—	− 158	− 915
1981 *1*	..	+1,169	+ 243	− 103	+1,309	..	..	—	−3,371	+158	− 319	..
2	..	+ 985	+ 149	− 728	+ 406	..	..	—	−1,899	—	+ 165	..

Visible trade in the balance of payments

TABLE 2

	£ million						1975=100				
	Not seasonally adjusted		Seasonally adjusted				Seasonally adjusted		Not seasonally adjusted		
	Balance of payments		Overseas trade statistics[2]		Balance of payments		Volume indices		Unit value indices		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (c.i.f.)	Exports (f.o.b.)	Imports (f.o.b.)	Exports	Imports	Exports	Imports	Terms of trade[1]
1970	8,150	8,184	8,096	9,113	8,150	8,184	81·1	81·8	50·8	42·8	118·8
1971	9,043	8,853	9,070	9,799	9,043	8,853	85·9	85·5	53·7	44·8	119·8
1972	9,437	10,185	9,602	11,073	9,437	10,185	85·6	95·2	56·8	46·9	121·1
1973	11,937	14,523	12,087	15,724	11,937	14,523	97·2	108·4	64·0	60·0	106·8
1974	16,394	21,745	16,309	23,139	16,394	21,745	104·2	109·5	81·6	87·7	93·1
1975	19,330	22,663	19,607	24,046	19,330	22,663	100·0	100·0	100·0	100·0	100·0
1976	25,191	29,120	25,277	31,084	25,191	29,120	109·9	105·8	119·6	122·2	97·9
1977	31,728	34,012	31,990	36,219	31,728	34,012	118·4	107·7	141·5	141·3	100·2
1978	35,063	36,605	35,380	39,533	35,063	36,605	121·5	112·8	155·5	146·8	105·9
1979	40,678	44,136	40,637	46,925	40,678	44,136	125·6	125·6	171·8	161·6	106·3
1980	47,389	46,211	47,339	49,886	47,389	46,211	127·9	119·1	192·9	185·9	103·8
1973 *1*	2,720	3,289	2,766	3,396	2,730	3,162	93·8	106·7	60·6	52·4	115·5
2	2,958	3,396	2,908	3,676	2,870	3,372	95·5	105·8	62·4	56·4	110·6
3	2,925	3,585	3,117	4,101	3,082	3,756	98·9	108·6	65·0	62·5	103·9
4	3,334	4,253	3,296	4,550	3,255	4,233	100·4	112·7	68·2	68·6	99·4
1974 *1*	3,610	4,944	3,616	5,206	3,636	4,875	101·9	108·4	74·0	78·6	94·2
2	4,186	5,592	4,036	5,904	4,111	5,516	106·3	111·1	80·1	88·1	90·9
3	4,152	5,452	4,309	5,971	4,295	5,618	105·9	110·2	84·1	90·7	92·7
4	4,446	5,757	4,348	6,058	4,352	5,736	102·5	108·3	88·1	93·2	94·5
1975 *1*	4,493	5,543	4,707	5,939	4,658	5,602	100·8	102·2	95·2	96·5	98·7
2	4,822	5,537	4,653	5,624	4,594	5,307	97·4	96·4	97·5	97·1	100·4
3	4,644	5,639	4,890	6,187	4,806	5,836	97·8	102·5	101·6	100·8	100·8
4	5,371	5,944	5,357	6,297	5,272	5,918	103·9	98·9	105·7	105·6	100·1
1976 *1*	5,665	6,323	5,620	6,540	5,599	6,123	106·1	98·5	109·6	110·4	99·3
2	6,252	7,292	6,161	7,728	6,164	7,212	110·8	107·9	115·8	119·0	97·3
3	6,153	7,336	6,418	8,089	6,400	7,627	109·5	108·3	122·8	125·1	98·2
4	7,121	8,169	7,078	8,728	7,028	8,158	113·0	108·6	130·3	134·3	97·0
1977 *1*	7,484	8,572	7,487	8,879	7,437	8,370	115·5	107·4	134·9	137·1	98·4
2	7,998	8,905	7,968	9,435	7,914	8,831	118·5	112·0	140·6	140·8	99·9
3	8,131	8,268	8,455	9,052	8,354	8,520	123·2	107·6	144·3	143·4	100·6
4	8,115	8,267	8,079	8,853	8,023	8,291	116·4	103·9	146·4	143·9	101·8
1978 *1*	8,198	8,920	8,372	9,344	8,282	8,844	118·5	111·4	149·6	141·9	105·4
2	9,125	9,315	8,859	9,999	8,790	8,949	122·6	110·2	153·7	146·5	104·9
3	8,502	8,978	8,927	10,071	8,854	9,411	121·4	115·1	157·6	148·1	106·4
4	9,238	9,392	9,222	10,118	9,137	9,401	123·4	114·4	161·1	150·8	106·8
1979 *1*	8,442	10,095	8,346	10,413	8,310	9,736	108·1	114·5	166·0	153·9	107·8
2	10,811	11,369	10,717	12,039	10,765	11,280	136·3	130·2	169·2	158·5	106·8
3	10,089	10,681	10,495	11,855	10,488	11,241	128·0	129·0	173·2	161·7	107·1
4	11,336	11,991	11,080	12,617	11,115	11,879	130·1	128·9	178·8	172·4	103·7
1980 *1*	12,005	12,685	11,856	13,264	11,876	12,261	131·4	124·5	187·3	185·3	101·1
2	11,906	12,227	11,896	13,110	11,915	12,237	128·5	125·8	191·7	185·5	103·4
3	11,422	10,651	11,719	12,099	11,707	11,087	124·8	115·6	195·7	185·5	105·5
4	12,056	10,648	11,867	11,413	11,891	10,626	126·8	110·3	197·0	187·2	105·2
1981 *1*	..	..	..	..	..	..	..	..	..	..	..
2	..	..	..	..	..	..	..	..	..	..	..

[1] Export unit value index as a percentage of the import unit value index.
[2] Due to roundings, the sum of four quarters may not equal the annual data.

Invisibles: Summary

TABLE 3

£ million

	Seasonally adjusted											Not seasonally adjusted		
	Invisible credits				Invisible debits				Invisible balance			Total invisibles		
	Services	IPD	Transfers	Total	Services	IPD	Transfers	Total	Total	*of which:* Private sector and PC: service and IPD	*of which:* Gen govt transactions and private transfers	Credits	Debits	Balance
1970	3,444	1,452	230	5,126	2,963	898	408	4,269	+ 857	+1,613	− 756	5,126	4,269	+ 857
1971	3,965	1,486	246	5,697	3,340	984	439	4,763	+ 934	+1,646	− 712	5,697	4,763	+ 934
1972	4,288	1,748	264	6,300	3,587	1,210	508	5,305	+ 995	+1,732	− 737	6,300	5,305	+ 995
1973	5,296	2,823	387	8,506	4,510	1,566	825	6901	+1,605	+2,651	−1,046	8,506	6,901	+1,605
1974	6,736	3,286	489	10,511	5,653	1,871	909	8,433	+2,078	+3,369	−1,291	10,511	8,433	+2,078
1975	7,867	2,841	759	11,467	6,348	2,068	1,239	9,655	+1,812	+3,376	−1,564	11,467	9,655	+1,812
1976	10,239	3,971	790	15,000	7,796	2,606	1,550	11,952	+3,048	+5,123	−2,075	15,000	11,952	+3,048
1977	11,844	4,032	912	16,788	8,590	3,928	2,027	14,545	+2,243	+4,815	−2,572	16,788	14,545	+2,243
1978	12,642	5,148	1,168	18,958	8,931	4,556	2,990	16,477	+2,481	+5,616	−3,135	18,958	16,477	+2,481
1979	14,505	7,879	1,310	23,694	10,466	7,033	3,600	21,099	+2,595	+6,260	−3,665	23,694	21,099	+2,595
1980	15,809	8,204	1,751	25,764	11,621	8,242	3,873	23,736	+2,028	+5,596	−3,568	25,764	23,736	+2,028
1973 *1*	1,198	546	79	1,823	1,040	395	176	1,611	+ 212	+ 468	− 256	1,725	1,532	+ 193
2	1,280	735	85	2,100	1,081	377	239	1,697	+ 403	+ 701	− 298	2,101	1,683	+ 418
3	1,349	668	107	2,124	1,148	379	200	1,727	+ 397	+ 651	− 254	2,236	1,836	+ 400
4	1,469	874	116	2,459	1,241	415	210	1,866	+ 593	+ 831	− 238	2,444	1,850	+ 594
1974 *1*	1,577	885	116	2,578	1,368	481	215	2,064	+ 514	+ 813	− 299	2,461	1,983	+ 478
2	1,663	834	114	2,611	1,407	448	213	2,068	+ 543	+ 860	− 317	2,615	2,056	+ 559
3	1,741	756	116	2,613	1,420	442	210	2,072	+ 541	+ 857	− 316	2,744	2,191	+ 553
4	1,755	811	143	2,709	1,458	500	271	2,229	+ 480	+ 839	− 359	2,691	2,203	+ 488
1975 *1*	1,882	733	197	2,812	1,514	532	270	2,316	+ 496	+ 819	− 323	2,632	2,206	+ 426
2	1,911	675	173	2,759	1,535	533	319	2,387	+ 372	+ 768	− 396	2,774	2,393	+ 381
3	1,973	674	195	2,842	1,613	494	307	2,414	+ 428	+ 842	− 414	3,031	2,562	+ 469
4	2,101	759	194	3,054	1,686	509	343	2,538	+ 516	+ 947	− 431	3,030	2,494	+ 536
1976 *1*	2,278	929	175	3,382	1,715	635	369	2,719	+ 663	+1,146	− 483	3,145	2,599	+ 546
2	2,458	945	209	3,612	1,910	595	376	2,881	+ 731	+1,226	− 495	3,601	2,900	+ 701
3	2,660	1,033	196	3,889	2,012	664	384	3,060	+ 829	+1,340	− 511	4,167	3,227	+ 940
4	2,843	1,064	210	4,117	2,159	712	421	3,292	+ 825	+1,411	− 586	4,087	3,226	+ 861
1977 *1*	2,825	1,020	229	4,074	2,095	898	474	3,467	+ 607	+1,244	− 637	3,753	3,300	+ 453
2	2,931	1,001	212	4,144	2,113	1,017	493	3,623	+ 521	+1,191	− 670	4,114	3,663	+ 451
3	3,042	998	220	4,260	2,211	1,008	542	3,761	+ 499	+1,171	− 672	4,633	3,926	+ 707
4	3,046	1,013	251	4,310	2,171	1,005	518	3,694	+ 616	+1,209	− 593	4,288	3,656	+ 632
1978 *1*	3,046	1,120	251	4,417	2,161	1,064	796	4,021	+ 396	+1,285	− 889	4,113	3,830	+ 283
2	3,068	1,283	264	4,615	2,254	1,058	674	3,986	+ 629	+1,363	− 734	4,543	4,055	+ 488
3	3,241	1,343	300	4,884	2,252	1,171	780	4,203	+ 681	+1,497	− 816	5,300	4,383	+ 917
4	3,287	1,402	353	5,042	2,264	1,263	740	4,267	+ 775	+1,471	− 696	5,002	4,209	+ 793
1979 *1*	3,401	1,816	296	5,513	2,417	1,420	817	4,654	+ 859	+1,694	− 835	5,173	4,450	+ 723
2	3,522	1,818	316	5,656	2,578	1,727	838	5,143	+ 513	+1,401	− 888	5,583	5,206	+ 377
3	3,677	2,167	327	6,171	2,645	1,845	950	5,440	+ 731	+1,679	− 948	6,621	5,645	+ 976
4	3,905	2,078	371	6,354	2,826	2,041	995	5,862	+ 492	+1,486	− 994	6,317	5,798	+ 519
1980 *1*	3,991	2,151	421	6,563	2,919	2,148	926	5,993	+ 570	+1,402	− 832	6,152	5,697	+ 455
2	3,964	2,200	362	6,526	2,927	2,251	1,023	6,201	+ 325	+1,382	−1,057	6,444	6,285	+ 159
3	3,886	1,799	396	6,081	2,918	1,854	1,021	5,793	+ 288	+1,265	− 977	6,579	6,141	+ 438
4	3,968	2,054	572	6,594	2,857	1,989	903	5,749	+ 845	+1,547	− 702	6,589	5,613	+ 976
1981 *1*	4,035	2,154	969	7,158	2,866	1,911	1,072	5,849	+1,309	+1,751	− 442	6,773	5,561	+1,212
2	4,015	2,089	331	6,435	3,030	1,940	1,059	6,029	+ 406	+1,533	−1,127	6,324	6,149	+ 175

Services: credits

TABLE 4

	£ million												1975 =100
	Private sector and public corporations								General government				
	Sea transport											Total services credits at current prices	Volume indices: total services credits
	Dry cargo	Tankers	Total	Civil aviation	Travel	Financial services	Other services	Total	EC institutions	Other	Total		
1973	977	1,078	2,055	480	726	601	1,330	5,192	13	91	104	5,296	92·1
1974	1,408	1,257	2,665	625	898	785	1,653	6,626	21	89	110	6,736	98·4
1975	1,520	1,131	2,651	780	1,218	1,025	2,054	7,728	34	105	139	7,867	100·0
1976	1,870	1,363	3,233	1,049	1,768	1,302	2,672	10,024	46	169	215	10,239	107·1
1977	2,094	1,339	3,433	1,203	2,352	1,391	3,224	11,603	78	163	241	11,844	110·7
1978	1,934	1,215	3,149	1,455	2,507	1,542	3,671	12,324	94	224	318	12,642	110·7
1979	2,038	1,766	3,804	1,755	2,797	1,601	4,206	14,163	115	227	342	14,505	111·1
1980	2,200	1,616	3,816	2,210	2,965	1,595	4,826	15,412	112	285	397	15,809	109·3
Unadjusted													
1977 *1*	506	348	854	240	361	277	752	2,484	18	46	64	2,548	98·1
2	549	340	889	301	536	322	777	2,825	18	23	41	2,866	107·6
3	537	345	882	372	915	412	779	3,360	20	40	60	3,420	126·7
4	502	306	808	290	540	380	916	2,934	22	54	76	3,010	110·3
1978 *1*	451	294	745	264	375	417	877	2,678	20	65	85	2,763	101·6
2	514	286	800	338	544	349	882	2,913	21	44	65	2,978	104·0
3	497	300	797	475	1,023	391	889	3,575	26	60	86	3,661	126·9
4	472	335	807	378	565	385	1,023	3,158	27	55	82	3,240	110·4
1979 *1*	457	392	849	303	412	397	1,027	2,988	30	71	101	3,089	101·2
2	519	427	946	385	637	377	1,014	3,359	24	39	63	3,422	107·9
3	532	445	977	564	1,088	417	1,004	4,050	30	54	84	4,134	124·9
4	530	502	1,032	503	660	410	1,161	3,766	31	63	94	3,860	110·5
1980 *1*	523	464	987	395	516	391	1,212	3,501	31	78	109	3,610	104·3
2	574	393	967	510	715	403	1,162	3,757	31	53	84	3,841	107·0
3	584	369	953	710	1,124	388	1,102	4,277	31	87	118	4,395	120·4
4	519	390	909	595	610	413	1,350	3,877	19	67	86	3,963	105·5
1981 *1*	552	400	952	476	455	423	1,251	3,557	35	90	125	3,682	96·0
2	533	380	913	556	625	465	1,233	3,792	25	52	77	3,869	96·1
Seasonally adjusted													
1977 *1*	523	354	877	299	557	290	752	2,775	18	32	50	2,825	108·9
2	538	346	884	303	592	315	786	2,880	18	33	51	2,931	109·8
3	520	347	867	297	591	410	816	2,981	20	41	61	3,042	112·2
4	513	292	805	304	612	376	870	2,967	22	57	79	3,046	111·8
1978 *1*	469	294	763	329	587	422	876	2,977	20	49	69	3,046	111·6
2	504	293	797	346	609	344	892	2,988	21	59	80	3,068	106·4
3	479	306	785	385	664	388	934	3,156	26	59	85	3,241	112·7
4	482	322	804	395	647	388	969	3,203	27	57	84	3,287	112·2
1979 *1*	476	387	863	381	651	396	1,024	3,315	30	56	86	3,401	110·8
2	508	439	947	401	695	375	1,026	3,444	24	54	78	3,522	110·4
3	510	455	965	456	707	411	1,053	3,592	30	55	85	3,677	111·1
4	544	485	1,029	517	744	419	1,103	3,812	31	62	93	3,905	112·2
1980 *1*	544	453	997	500	800	384	1,214	3,895	31	65	96	3,991	114·1
2	564	405	969	538	764	406	1,186	3,863	31	70	101	3,964	109·5
3	559	380	939	567	719	381	1,164	3,770	31	85	116	3,886	107·2
4	533	378	911	605	682	424	1,262	3,884	19	65	84	3,968	106·4
1981 *1*	572	388	960	603	710	413	1,242	3,928	35	72	107	4,035	104·3
2	524	392	916	581	674	469	1,282	3,922	25	68	93	4,015	98·9

Services: debits

TABLE 4 *(continued)*

	£ million												1975 = 100	£ million
	Private sector and public corporations								General government					
	Sea transport					Other services								
	Dry cargo	Tankers	Total	Civil aviation	Travel	Services associated with UK Cont. Shelf	Other	Total	Military	Administrative, diplomatic, etc.	Total	Total services debits at current prices	Volume indices: total services debits	Balance of services at current prices
1973	967	1,193	2,160	415	695	60	667	3,997	424	89	513	4,510	100·3	+ 786
1974	1,339	1,437	2,776	540	703	212	793	5,024	532	97	629	5,653	101·3	+1,083
1975	1,302	1,266	2,568	675	917	490	989	5,639	595	114	709	6,348	100·0	+1,519
1976	1,644	1,517	3,161	840	1,068	665	1,180	6,914	746	136	882	7,796	98·5	+2,443
1977	1,870	1,480	3,350	984	1,186	725	1,380	7,625	825	140	965	8,590	96·7	+3,254
1978	1,932	1,235	3,167	1,176	1,549	568	1,455	7,915	863	153	1,016	8,931	97·7	+3,711
1979	2,201	1,482	3,683	1,467	2,109	467	1,599	9,325	972	169	1,141	10,466	107·8	+4,039
1980	2,434	1,247	3,681	1,815	2,757	514	1,666	10,433	1,012	176	1,188	11,621	112·9	+4,188
Unadjusted														
1977 *1*	470	386	856	204	184	92	324	1,660	206	33	239	1,899	86·4	+ 649
2	471	376	847	249	295	142	321	1,854	211	36	247	2,101	93·9	+ 765
3	470	361	831	293	468	276	370	2,238	207	35	242	2,480	111·2	+ 940
4	459	357	816	238	239	215	365	1,873	201	36	237	2,110	95·4	+ 900
1978 *1*	449	308	757	234	228	115	342	1,676	226	36	262	1,938	87·9	+ 825
2	508	316	824	283	357	159	356	1,979	228	39	267	2,246	98·1	+ 732
3	489	292	781	368	645	161	366	2,321	229	38	267	2,588	112·9	+1,073
4	486	319	805	291	319	133	391	1,939	180	40	220	2,159	91·7	+1,081
1979 *1*	465	360	825	296	305	95	375	1,896	222	41	263	2,159	93·0	+ 930
2	586	359	945	359	503	102	382	2,291	243	45	288	2,579	107·3	+ 843
3	588	359	947	446	858	122	409	2,782	242	39	281	3,063	127·4	+1,071
4	562	404	966	366	443	148	433	2,356	265	44	309	2,665	103·5	+1,195
1980 *1*	622	348	970	398	403	113	418	2,302	241	44	285	2,587	100·6	+1,023
2	628	308	936	453	677	120	424	2,610	268	44	312	2,922	113·2	+ 919
3	638	301	939	545	1,134	127	408	3,153	257	45	302	3,455	134·9	+ 940
4	546	290	836	419	543	154	416	2,368	246	43	289	2,657	102·7	+1,306
1981 *1*	..	..	1,272		430	113	431	2,246	237	45	282	2,528	96·6	+1,154
2	..	..	1,364		775	131	451	2,721	262	46	308	3,029	111·7	+ 840
Seasonally adjusted														
1977 *1*	481	393	874	234	292	130	324	1,854	208	33	241	2,095	95·5	+ 730
2	463	378	841	249	297	160	321	1,868	209	36	245	2,113	94·3	+ 818
3	462	362	824	249	284	244	370	1,971	205	35	240	2,211	98·8	+ 831
4	464	347	811	252	313	191	365	1,932	203	36	239	2,171	98·3	+ 875
1978 *1*	459	313	772	269	365	153	342	1,901	224	36	260	2,161	98·3	+ 885
2	497	318	815	282	365	167	356	1,985	230	39	269	2,254	98·2	+ 814
3	478	295	773	314	398	136	366	1,987	227	38	265	2,252	98·0	+ 989
4	498	309	807	311	421	112	391	2,042	182	40	222	2,264	96·1	+1,023
1979 *1*	477	365	842	339	477	122	374	2,154	222	41	263	2,417	104·3	+ 984
2	573	361	934	358	509	106	383	2,290	243	45	288	2,578	107·4	+ 944
3	570	362	932	378	536	109	409	2,364	242	39	281	2,645	109·3	+1,032
4	581	394	975	392	587	130	433	2,517	265	44	309	2,826	110·2	+1,079
1980 *1*	640	353	993	452	629	142	418	2,634	241	44	285	2,919	114·3	+1,072
2	613	308	921	453	692	126	423	2,615	268	44	312	2,927	113·4	+1,037
3	616	302	918	462	714	113	409	2,616	257	45	302	2,918	113·0	+ 968
4	565	284	849	448	722	133	416	2,568	246	43	289	2,857	110·7	+1,111
1981 *1*	..	..	1,352		664	140	430	2,586	237	43	280	2,866	110·7	+1,169
2	..	..	1,351		785	137	451	2,724	262	44	306	3,030	111·9	+ 985

Interest, profits and dividends: credits

TABLE 5

£ million

	Earnings on:			Interest on UK borrowing and lending in foreign currencies (balance)	Other earnings (including oil companies)[2]	Total credits	of which:	
	Direct investment[1]	Portfolio investment	Export credit and sterling lending by UK banks				Private sector and public corporations	General government
1973	1,450	222	238	54	859	2,823	2,647	176
1974	1,490	279	322	151	1,044	3,286	3,049	237
1975	1,591	271	365	138	476	2,841	2,575	266
1976	2,383	313	472	210	593	3,971	3,718	253
1977	2,293	328	460	107	844	4,032	3,648	384
1978	2,346	353	566	346	1,537	5,148	4,457	691
1979	2,815	450	741	−44	3,917	7,879	7,063	816
1980	2,658	598	970	352	3,626	8,204	7,261	943
Unadjusted								
1977 *1*	541	81	114	12	228	976	916	60
2	597	81	120	18	220	1,036	946	90
3	564	83	108	38	200	993	892	101
4	591	83	118	39	196	1,027	894	133
1978 *1*	530	79	115	48	327	1,099	928	171
2	606	88	134	68	405	1,301	1,104	197
3	614	97	143	114	371	1,339	1,173	166
4	596	89	174	116	434	1,409	1,252	157
1979 *1*	651	107	181	36	813	1,788	1,611	177
2	668	108	178	6	885	1,845	1,640	205
3	773	119	177	3	1,088	2,160	1,953	207
4	723	116	205	−89	1,131	2,086	1,859	227
1980 *1*	729	134	216	−44	1,086	2,121	1,894	227
2	715	145	224	155	1,002	2,241	1,952	289
3	586	162	243	97	700	1,788	1,578	210
4	628	157	287	144	838	2,054	1,837	217
1981 *1*	715	172	289	108	838	2,122	1,917	205
2	584	184	288	281	787	2,124	1,828	296
Seasonally adjusted								
1977 *1*	562	84	129	12	233	1,020	955	65
2	585	81	111	18	206	1,001	924	77
3	563	79	113	38	205	998	892	106
4	583	84	107	39	200	1,013	877	136
1978 *1*	546	81	115	48	330	1,120	946	174
2	598	88	136	68	393	1,283	1,097	186
3	610	93	150	114	376	1,343	1,172	171
4	592	91	165	116	438	1,402	1,242	160
1979 *1*	669	110	185	36	816	1,816	1,636	180
2	661	108	175	6	868	1,818	1,631	187
3	765	113	189	3	1,097	2,167	1,951	216
4	720	119	192	−89	1,136	2,078	1,845	233
1980 *1*	745	138	219	−44	1,093	2,151	1,917	234
2	708	146	221	155	970	2,200	1,943	257
3	576	154	256	97	716	1,799	1,573	226
4	629	160	274	144	847	2,054	1,828	226
1981 *1*	732	177	287	108	850	2,154	1,937	217
2	580	184	291	281	753	2,089	1,827	262

[1] Earnings on direct investment exclude the earnings of oil companies.
[2] Includes, from 1976 only, interest on private bank deposits overseas.

Interest, profits and dividends: debits

TABLE 5 *(continued)*

£ million

	Earnings on:							of which:		
	Direct[1] investment	Portfolio investment	Sterling liabilities	Foreign currency borrowing by general government[2]	Foreign oil companies' investment in UK	Other	Total debits	Private sector and public corporations	General government	Balance of IPD
1973	707	187	452	18	37	165	1,566	1,191	375	+1,257
1974	622	252	623	139	27	208	1,871	1,282	589	+1,415
1975	625	307	651	259	– 23	249	2,068	1,288	780	+ 773
1976	1,040	385	567	368	– 76	322	2,606	1,705	901	+1,365
1977	1,432	580	472	422	585	457	3,928	2,811	1,117	+ 104
1978	1,527	687	501	522	703	616	4,556	3,250	1,306	+ 592
1979	2,149	779	915	576	1,940	674	7,033	5,641	1,392	+ 846
1980	1,759	947	1,588	518	2,655	775	8,242	6,644	1,598	– 38
Unadjusted										
1977 *1*	347	119	130	87	92	86	861	616	245	+ 115
2	408	175	129	119	147	116	1,094	787	307	– 58
3	333	139	109	97	155	101	934	676	258	+ 59
4	344	147	104	119	171	154	1,039	732	307	– 12
1978 *1*	377	153	112	119	135	110	1,006	715	291	+ 93
2	379	218	104	144	142	189	1,176	796	380	+ 125
3	370	151	138	114	148	129	1,050	763	287	+ 289
4	401	165	147	145	278	188	1,324	976	348	+ 85
1979 *1*	419	146	155	130	361	133	1,344	1,055	289	+ 444
2	576	210	196	169	493	199	1,843	1,443	400	+ 2
3	395	187	233	107	626	135	1,683	1,386	297	+ 477
4	759	236	331	170	460	207	2,163	1,757	406	– 77
1980 *1*	489	203	325	108	737	182	2,044	1,714	330	+ 77
2	548	305	367	177	745	261	2,403	1,873	530	– 162
3	297	227	406	93	566	131	1,720	1,372	348	+ 68
4	425	212	490	140	607	201	2,075	1,685	390	– 21
1981 *1*	301	235	451	81	579	169	1,816	1,473	343	+ 306
2	333	292	492	191	480	324	2,112	1,560	552	+ 12
Seasonally adjusted										
1977 *1*	347	127	127	93	92	112	898	632	266	+ 122
2	384	143	133	104	147	106	1,017	745	272	– 16
3	376	145	107	110	155	115	1,008	731	277	– 10
4	325	165	105	115	171	124	1,005	703	302	+ 8
1978 *1*	379	176	107	128	135	139	1,064	737	327	+ 56
2	352	168	111	129	142	156	1,058	737	321	+ 225
3	426	168	141	132	148	156	1,171	844	327	+ 172
4	370	175	142	133	278	165	1,263	932	331	+ 139
1979 *1*	436	156	158	143	361	166	1,420	1,103	317	+ 396
2	545	173	205	150	493	161	1,727	1,384	343	+ 91
3	476	206	245	130	626	162	1,845	1,500	345	+ 322
4	692	244	307	153	460	185	2,041	1,654	387	+ 37
1980 *1*	508	230	334	121	737	218	2,148	1,776	372	+ 3
2	525	251	379	158	745	193	2,251	1,809	442	– 51
3	338	235	431	118	566	166	1,854	1,462	392	– 55
4	388	231	444	121	607	198	1,989	1,597	392	+ 65
1981 *1*	309	247	474	93	579	209	1,911	1,528	383	+ 243
2	315	247	494	164	480	240	1,940	1,492	448	+ 149

[1] Earnings on direct investment exclude the earnings of oil companies.

[2] Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

Transfers

TABLE 6

£ million

	Private sector			General government								
				Credits	Debits							
	Credits	Debits	Balance of private sector	EC institutions	Bilateral aid	Contributions and subscriptions to international orgs. EC	Contributions and subscriptions to international orgs. Other	Pensions and benefits	Other debits	Total debits	Balance of general government	Balance of transfers
1973	320	398	− 78	67	95	187	80	59	6	427	− 360	− 438
1974	357	454	− 97	132	108	186	90	66	5	455	− 323	− 420
1975	393	503	−110	366	160	350	143	80	3	736	− 370	− 480
1976	537	509	+ 28	253	264	474	192	108	3	1,041	− 788	− 760
1977	614	614	—	298	278	750	254	125	6	1,413	−1,115	−1,115
1978	729	848	−119	439	387	1,364	233	150	8	2,142	−1,703	−1,822
1979	760	992	−232	550	497	1,626	325	154	6	2,608	−2,058	−2,290
1980	793	1,083	−290	958	537	1,783	281	181	8	2,790	−1,832	−2,122
Unadjusted												
1977 *1*	148	145	+ 3	81	104	177	78	32	4	395	− 314	− 311
2	151	135	+ 16	61	46	185	73	29	—	333	− 272	− 256
3	157	153	+ 4	63	53	217	55	32	2	359	− 296	− 292
4	158	181	− 23	93	75	171	48	32	—	326	− 233	− 256
1978 *1*	167	228	− 61	84	153	382	80	38	5	658	− 574	− 635
2	185	205	− 20	79	49	271	71	37	—	428	− 349	− 369
3	186	211	− 25	114	74	379	41	38	2	534	− 420	− 445
4	191	204	− 13	162	111	332	41	37	1	522	− 360	− 373
1979 *1*	192	220	− 28	104	212	362	111	38	4	727	− 623	− 651
2	190	205	− 15	126	63	386	96	34	—	579	− 453	− 468
3	184	275	− 91	143	97	428	58	40	1	624	− 481	− 572
4	194	292	− 98	177	125	450	60	42	1	678	− 501	− 599
1980 *1*	194	273	− 79	227	231	415	93	48	6	793	− 566	− 645
2	198	271	− 73	164	77	483	83	45	1	689	− 525	− 598
3	199	271	− 72	197	114	466	71	44	—	695	− 498	− 570
4	202	268	− 66	370	115	419	34	44	1	613	− 243	− 309
1981 *1*	193	274	− 81	776	251	544	92	50	6	943	− 167	− 248
2	210	275	− 65	121	96	508	85	44	—	733	− 612	− 677
Seasonally adjusted												
1977 *1*	148	145	+ 3	81	57	180	61	29	2	329	− 248	− 245
2	151	135	+ 16	61	71	195	60	31	1	358	− 297	− 281
3	157	153	+ 4	63	71	217	67	32	2	389	− 326	− 322
4	158	181	− 23	93	79	158	66	33	1	337	− 244	− 267
1978 *1*	167	228	− 61	84	86	383	61	35	3	568	− 484	− 545
2	185	205	− 20	79	86	282	61	39	1	469	− 390	− 410
3	186	211	− 25	114	100	377	52	38	2	569	− 455	− 480
4	191	204	− 13	162	115	322	59	38	2	536	− 374	− 387
1979 *1*	192	220	− 28	104	120	356	85	35	1	597	− 493	− 521
2	190	205	− 15	126	116	398	81	36	2	633	− 507	− 522
3	184	275	− 91	143	132	427	75	40	1	675	− 532	− 623
4	194	292	− 98	177	129	445	84	43	2	703	− 526	− 624
1980 *1*	194	273	− 79	227	131	405	69	45	3	653	− 426	− 5 05
2	198	271	− 73	164	135	496	71	47	3	752	− 588	− 661
3	199	271	− 72	197	152	466	88	44	—	750	− 553	− 625
4	202	268	− 66	370	119	416	53	45	2	635	− 265	− 331
1981 *1*	193	274	− 81	776	141	535	72	47	3	798	− 22	− 103
2	210	275	− 65	121	134	530	73	46	1	784	− 663	− 728

Investment and other capital transactions[1]

TABLE 7

Not seasonally adjusted

£ million

	Overseas investment in		UK private investment overseas	Official long-term capital	Trade credit[2]	Foreign currency borrowing or lending abroad by UK banks[3]	Exchange reserves in sterling[4]		Other external banking and money market liabilities in sterling	External sterling lending by UK banks[5]	Other external borrowing or lending	Other transactions	Total investment and other capital transactions
	UK public sector	UK private sector					British government stocks	Banking and money market liabilities, etc.					
1970	− 8	+ 711	− 829	−206	− 381	+ 472	+ 63	+ 130	+ 266	+ 124	+ 141	+ 62	+ 545
1971	+ 103	+ 912	− 860	−274	− 233	+ 471	+ 55	+ 658	+ 709	+ 39	+ 144	+ 66	+1,790
1972	+ 113	+ 659	−1,402	−254	− 211	+ 471	+ 65	+ 222	− 91	− 241	+ 146	−161	− 684
1973	+ 156	+1,341	−1,760	−255	− 203	+ 535	+ 74	+ 87	− 7	+ 35	+ 339	−176	+ 166
1974	+ 180	+2,024	−1,148	−287	− 722	− 295	−124	+1,534	+ 148	+ 53	+ 351	−120	+1,594
1975	− 13	+1,527	−1,367	−291	− 518	+ 253	+ 7	− 624	+ 550	+ 94	+ 316	+200	+ 134
1976	+ 176	+1,912	−2,269	−160	−1,064	− 106	+ 14	−1,421	+ 255	− 348	+ 136	−198	−3,073
1977	+1,432	+2,967	−2,334	−303	− 338	+ 364	+ 5	− 24	+1,481	+ 58	+ 848	+ 56	+4,212
1978	− 97	+2,005	−4,634	−336	− 571	− 433	−115	− 4	+ 293	− 507	+ 88	+ 51	−4,260
1979	+ 902	+3,405	−6,555	−401	− 777	+1,623	+248	+ 531	+2,581	+ 198	+ 490	− 68	+2,177
1980	+ 582	+4,067	−6,891	−125	−1,145	+2,024	+930	+ 316	+2,569	−2,462	−1,103	−237	−1,475
1973 *1*	+ 44	+ 301	− 359	− 55	− 157	+ 1	+ 18	+ 183	− 31	+ 163	+ 55	− 43	+ 120
2	+ 20	+ 397	− 363	− 32	+ 36	+ 162	+ 92	− 3	+ 77	− 85	+ 51	+ 49	+ 401
3	+ 21	+ 242	− 347	− 27	− 68	+ 36	− 38	− 307	− 70	− 70	+ 66	− 38	− 600
4	+ 71	+ 401	− 691	−141	− 14	+ 336	+ 2	+ 214	+ 17	+ 27	+ 167	−144	+ 245
1974 *1*	+ 22	+ 830	− 358	− 53	− 125	− 61	+ 68	+ 164	− 53	+ 1	+ 100	− 21	+ 514
2	+ 96	+ 404	− 101	− 44	− 273	+ 56	−190	+ 421	+ 155	+ 104	+ 57	—	+ 685
3	+ 4	+ 471	− 198	− 23	− 127	− 346	− 67	+ 622	+ 61	− 2	+ 102	+ 3	+ 500
4	+ 58	+ 319	− 491	−167	− 197	+ 56	+ 65	+ 327	− 15	− 50	+ 92	−102	− 105
1975 *1*	+ 36	+ 305	− 378	− 72	− 208	− 62	+ 6	+ 222	+ 19	+ 46	+ 77	+108	+ 99
2	− 3	+ 207	− 528	− 39	− 177	+ 772	− 7	− 296	+ 286	− 241	+ 54	+ 62	+ 90
3	− 57	+ 580	− 108	− 30	+ 137	− 15	− 67	− 313	+ 1	+ 35	+ 82	+ 11	+ 256
4	+ 11	+ 435	− 353	−150	− 270	− 442	+ 75	− 237	+ 244	+ 254	+ 103	+ 19	− 311
1976 *1*	+ 1	+ 591	− 598	− 37	− 370	+ 94	− 10	− 70	+ 5	− 243	+ 147	− 79	− 569
2	+ 15	+ 377	− 560	− 18	− 316	− 86	− 13	− 908	− 11	− 223	+ 75	−118	−1,786
3	+ 58	+ 458	− 547	− 27	− 45	− 272	− 19	− 330	+ 212	− 124	− 43	− 8	− 687
4	+ 102	+ 486	− 564	− 78	− 333	+ 158	+ 56	− 113	+ 49	+ 242	− 43	+ 7	− 31
1977 *1*	+ 353	+ 927	− 566	− 23	− 135	+ 419	−165	+ 355	+ 199	+ 166	+ 145	− 55	+1,620
2	+ 443	+ 831	− 772	− 19	− 68	− 706	− 4	− 394	+ 350	− 110	+ 367	+ 56	− 26
3	+ 252	+ 727	− 499	− 30	+ 118	+ 187	+ 31	+ 43	+ 323	− 23	+ 227	− 47	+1,309
4	+ 384	+ 482	− 497	−231	− 253	+ 464	+143	− 28	+ 609	+ 25	+ 109	+102	+1,309
1978 *1*	− 55	+ 869	− 897	− 23	− 140	+ 128	− 34	+ 194	− 62	− 292	+ 131	+ 21	− 160
2	− 40	+ 335	− 814	− 8	− 290	− 931	− 20	− 211	− 152	− 66	+ 30	− 76	−2,243
3	− 21	+ 352	−1,189	− 66	− 120	+ 343	− 34	+ 43	+ 159	− 82	− 32	+185	− 462
4	+ 19	+ 449	−1,734	−239	− 21	+ 27	− 27	− 30	+ 348	− 67	− 41	− 79	−1,395
1979 *1*	+ 245	+ 351	−1,516	− 78	− 318	+1,002	−129	+ 267	+ 471	+ 102	+ 57	+ 77	+ 531
2	+ 78	+1,281	−1 441	− 35	− 218	+ 385	+ 6	+ 93	+ 359	+ 203	+ 47	+159	+ 917
3	+ 429	+ 894	−1,950	− 66	+ 108	+ 671	+210	+ 202	+ 448	− 100	− 256	−348	+ 242
4	+ 150	+ 879	−1,648	−222	− 349	− 435	+161	− 31	+1,303	− 7	+ 642	+ 44	+ 487
1980 *1*	− 20	+1,309	−1,824	+ 2	− 323	+ 778	+ 37	+ 455	+ 257	− 313	− 595	−213	− 450
2	+ 655	+ 789	−1,611	− 17	− 158	+ 311	+448	− 93	+1,011	− 538	− 81	− 98	+ 618
3	+ 55	+ 742	−1,524	− 9	− 413	+ 552	+437	− 81	+ 822	− 670	− 187	− 56	− 332
4	− 108	+1,227	−1,932	−101	− 251	+ 383	+ 8	+ 35	+ 479	− 941	− 240	+130	−1,311
1981 *1*	+ 85	+ 594	−2,671	−124	+ 12	− 580	− 98	+ 175	+ 298	−1,236	+ 294	−120	−3,371
2	− 109	+ 865[6]	−2,337[6]	−110	− 435	− 791	+153	+ 35	+ 892	− 429	− 7[7]	+374	−1,899

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−. Excluding official financing.

[2] Excluding trade credit between 'related' firms, after deducting advance and progress payments to suppliers. Net credit extended by UK merchants on third country trade is included within export credit.

[3] Borrowing or lending (net) by banks and certain other financial institutions. Excluding changes in levels resulting from changes in sterling valuation: see notes on pages 44 and 57 of 'UK Balance of Payments 1981 Edition'.

[4] Sterling reserves of overseas countries and international organisations, other than the IMF, as reported by banks, etc. in the UK.

[5] Excluding credit for UK exports.

[6] These estimates are highly provisional being based on incomplete information and may be subject to substantial revision.

[7] Latest quarter excludes private sector transactions with banks overseas

Overseas investment in UK[1]

TABLE 8

Not seasonally adjusted

£ million

	Direct[2]				Portfolio								
								Net issues abroad[4]					
	Unremitted profits	Other	Total	Investment by oil companies	Investment in UK company securities	British government stocks[3]	British government foreign currency bonds	Local authorities securities	Public corporations	Local authorities	Total	Miscellaneous investment	Total overseas investment in UK
1975	+ 247	+ 368	+ 615	+ 883	+ 9	− 13	—	+ 4	− 4	—	− 4	+20	+1,514
1976	+ 541	+ 258	+ 799	+ 819	+259	+116	—	+14	+46	—	+ 435	+35	+2,088
1977	+ 837	+ 489	+1,326	+1,131	+421	+979	+395	+28	+30	—	+1,853	+89	+4,399
1978	+ 720	+ 572	+1,292	+ 666	+ 12	− 3	—	+ 4	−93	− 5	− 85	+35	+1,908
1979	+1,297	+ 521	+1,818	+1,215	+351	+929	—	+41	− 6	−62	+1,253	+21	+4,307
1980	+ 904	+1,190	+2,094	+1,714	+259	+568	—	+19	− 5	—	+ 841	..	+4,649
1978 *1*	+ 257	+ 323	+ 580	+ 290	− 11	+ 38	—	− 2	−91	—	− 66	+10	+ 814
2	+ 215	− 22	+ 193	+ 76	+ 58	− 41	—	+ 2	− 1	—	+ 18	+ 8	+ 295
3	+ 198	+ 61	+ 259	+ 38	+ 44	− 19	—	− 2	—	—	+ 23	+11	+ 331
4	+ 50	+ 210	+ 260	+ 262	− 79	+ 19	—	+ 6	− 1	− 5	− 60	+ 6	+ 468
1979 *1*	+ 174	+ 40	+ 214	+ 91	+ 41	+236	—	+13	− 4	—	+ 286	+ 5	+ 596
2	+ 407	+ 231	+ 638	+ 544	+ 89	+ 67	—	+12	− 1	—	+ 167	+10	+1,359
3	+ 290	+ 208	+ 498	+ 293	+ 97	+421	—	+ 8	—	—	+ 526	+ 6	+1,323
4	+ 426	+ 42	+ 468	+ 287	+124	+205	—	+ 8	− 1	−62	+ 274	..	+1,029
1980 *1*	+ 375	+ 330	+ 705	+ 525	+ 79	− 28	—	+11	− 3	—	+ 59	..	+1,289
2	+ 260	+ 17	+ 277	+ 472	+ 40	+646	—	+10	− 1	—	+ 695	..	+1,444
3	+ 146	+ 121	+ 267	+ 400	+ 75	+ 53	—	+ 2	—	—	+ 130	..	+ 797
4	+ 123	+ 722	+ 845	+ 317	+ 65	−103	—	− 4	− 1	—	− 43	..	+1,119
1981 *1*	+ 189	− 278	− 89	+ 648	+ 35	+ 93	—	+ 1	− 9	—	+ 120	..	+ 679
2	+ 75	+ 400	+ 475	+ 265	+125[5]	−110	—	+ 2	− 1	—	+ 16	..	+ 756

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Excluding the transactions of oil companies.
[3] Excluding investments by central monetary institutions and international organisations.
[4] Excluding official financing.
[5] This estimate is highly provisional being based on incomplete information and may be subject to substantial revision.

UK private investment overseas[1]

TABLE 9

Not seasonally adjusted

£ million

	Direct[2]			Oil companies' and other miscellaneous investment	Portfolio	Total
	Unremitted profits	Other	Total			
1975	− 879	− 292	−1,171	− 137	− 59	−1,367
1976	−1,454	− 691	−2,145	− 214	+ 90	−2,269
1977	−1,292	− 593	−1,885	− 461	+ 12	−2,334
1978	−1,259	−1,481	−2,740	− 821	−1,073	−4,634
1979	−1,636	−1,152	−2,788	−2,858	− 909	−6,555
1980	−1,355	−1,214	−2,569	−1,364	−2,958	−6,891
1978 *1*	− 277	− 303	− 580	− 63	− 254	− 897
2	− 310	− 515	− 825	+ 254	− 243	− 814
3	− 372	− 269	− 641	− 301	− 247	−1,189
4	− 300	− 394	− 694	− 711	− 329	−1,734
1979 *1*	− 336	− 219	− 555	− 711	− 250	−1,516
2	− 354	− 594	− 948	− 451	− 42	−1,441
3	− 501	− 71	− 572	−1,077	− 301	−1,950
4	− 445	− 268	− 713	− 619	− 316	−1,648
1980 *1*	− 439	− 386	− 825	− 472	− 527	−1,824
2	− 322	− 650	− 972	− 318	− 321	−1,611
3	− 328	− 4	− 332	− 202	− 990	−1,524
4	− 266	− 174	− 440	− 372	−1,120	−1,932
1981 *1*	− 506	− 468	− 974	− 407	−1,290	−2,671
2	− 186	− 612	− 798	− 359	−1,180[3]	−2,337

[1] Net of disinvestment. Assets: increase−/decrease+.
[2] Excluding the transactions of oil companies but including investment by a number of public corporations.
[3] This estimate is highly provisional being based on incomplete information and may be subject to substantial revision.

Official long-term capital[1]

TABLE 10

Not seasonally adjusted

£ million

	Inter-government loans				Other official long-term capital		
	Made by UK	Repaid to UK	Repaid by UK	Total	UK sub-scriptions, to IDA, etc.	Other	Total official long-term capital[2]
1975	−113	+ 34	− 83	−162	−110	−19	−291
1976	− 54	+ 37	− 21	− 38	−110	−13	−160
1977	− 44	+ 48	− 68	− 64	−212	−26	−303
1978	− 71	+ 46	− 65	− 90	−225	−21	−336
1979	− 81	+ 70	−116	−128	−259	−14	−401
1980	−106	+123	− 57	− 40	− 53	−32	−125
1978 *1*	− 27	+ 12	—	− 15	− 2	− 7	− 23
2	− 8	+ 17	− 6	+ 3	− 10	− 1	− 8
3	− 20	+ 7	—	− 13	− 46	− 6	− 66
4	− 16	+ 10	− 59	− 65	−167	− 7	−239
1979 *1*	− 25	+ 19	—	− 6	− 67	− 6	− 78
2	− 24	+ 14	− 5	− 15	− 10	−10	− 35
3	− 18	+ 18	− 56	− 56	—	−10	− 66
4	− 14	+ 19	− 55	− 51	−182	+12	−222
1980 *1*	− 25	+ 39	—	+ 14	− 5	− 7	+ 2
2	− 22	+ 25	− 5	− 2	− 12	− 3	− 17
3	− 21	+ 28	—	+ 7	− 9	− 7	− 9
4	− 38	+ 31	− 52	− 59	− 27	−15	−101
1981 *1*	− 34	+ 13	—	− 22	− 95	− 7	−124
2	− 15	+ 20	− 6	− 2	− 98	−10	−110

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Components and totals are rounded independently.

Import and export credit[1]

TABLE 11

Not seasonally adjusted

£ million

	Import credit					Export credit						
	Credit received by UK businesses					Credit extended by UK banks						
	Identified long-term[2]	Other	Total	Advance and progress payments	Total	Identified long-term	Other	Total	*of which:* UK banks' lending in sterling	Suppliers' credit[3]	Advance and progress payments	Total
1975	+ 24	+ 65	+ 89	− 30	+ 59	−633	− 49	−682	−682	−129	+234	− 577
1976	− 79	+246	+167	−128	+ 39	−706	−111	−817	−817	−580	+294	−1,103
1977	+ 76	+130	+206	+ 91	+297	−601	+ 13	−588	−578	−315	+268	− 635
1978	− 70	+163	+ 93	+256	+349	−625	+ 60	−565	−358	−490	+135	− 920
1979	−173	+364	+191	−119	+ 72	−436	+ 92	−344	+117	−805	+300	− 849
1980	+ 3	−227	−224	− 14	−238	−785	−132	−917	− 64	− 17	+ 27	− 907
1978 *1*	+ 24	+ 21	+ 45	+126	+171	−124	+ 61	− 63	− 43	−288	+ 40	− 311
2	+ 3	− 8	− 5	+142	+137	−213	−131	−344	−291	−123	+ 40	− 427
3	− 45	− 17	− 62	+ 14	− 48	−153	+105	− 48	+ 4	− 49	+ 25	− 72
4	− 52	+167	+115	− 26	+ 89	−135	+ 25	−110	− 28	− 30	+ 30	− 110
1979 *1*	− 62	+ 17	− 45	− 36	− 81	− 99	+ 13	− 86	− 28	−206	+ 55	− 237
2	− 32	+183	+151	− 45	+106	−107	+ 27	− 80	+ 16	−376	+132	− 324
3	− 26	+ 72	+ 46	− 7	+ 39	− 47	+ 18	− 29	+ 50	+ 42	+ 56	+ 69
4	− 53	+ 92	+ 39	− 31	+ 8	−183	+ 34	−149	+ 79	−265	+ 57	− 357
1980 *1*	+ 37	− 10	+ 27	− 3	+ 24	−192	−103	−295	−103	− 57	+ 5	− 347
2	+ 61	− 24	+ 37	+ 14	+ 51	−151	− 8	−159	+ 32	+ 6	− 56	− 209
3	− 63	− 96	−159	− 45	−204	−230	− 49	−279	− 34	+ 48	+ 22	− 209
4	− 32	− 97	−129	+ 20	−109	−212	+ 28	−184	+ 41	− 14	+ 56	− 142
1981 *1*	− 12	+ 45	+ 33	− 53	− 20	+ 32	+ 66	+ 98	+331	−190	+124	+ 32
2	− 54	− 15	− 69	+ 14	− 55	−296	+103	−193	+111	−177	− 10	− 380

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Credit on ships, commercial aircraft and North Sea installations.
[3] Includes net credit extended by UK merchants on third-country trade.

Other transactions[1]

TABLE 12

Not seasonally adjusted

£ million

	Other external borrowing or lending[1]						Other transactions			
	Borrowing from banks etc. overseas by				Bank deposits and lending overseas	Total	Official assets and liabilities (net)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total
	Public corporations[2]	Local authorities[2]	Total public sector[2]	UK private sector						
1975	+ 56	—	+ 56	+260	—	+ 316	+ 15	+185	—	+200
1976	+ 27	—	+ 27	+240	− 131	+ 136	+ 19	−217	—	−198
1977	+746	+ 4	+750	+318	− 219	+ 848	+ 52	+ 4	—	+ 56
1978	+ 11	+11	+ 22	+710	− 644	+ 88	+ 77	− 40	+14	+ 51
1979	− 18	+11	− 7	+877	− 380	+ 490	+145	−200	−13	− 68
1980	−176	+11	−165	+125	−1,062	−1,103	−150	− 87	—	−237
1978 *1*	+ 34	+ 5	+ 39	+229	− 137	+ 131	+ 89	− 68	—	+ 21
2	+ 14	+ 4	+ 18	+ 88	− 75	+ 31	− 52	− 24	—	− 76
3	+ 9	—	+ 9	+122	− 163	− 32	+ 84	+101	—	+185
4	− 46	+ 2	− 44	+271	− 269	− 42	− 44	− 49	+14	− 79
1979 *1*	− 40	—	− 40	+151	− 54	+ 57	+ 80	− 3	—	+ 77
2	+ 22	—	+ 22	+155	− 130	+ 47	− 47	+219	−13	+159
3	+ 1	—	+ 1	−179	− 78	− 256	− 46	−302	—	−348
4	− 1	+11	+ 10	+750	− 118	+ 642	+158	−114	—	+ 44
1980 *1*	− 96	+ 6	− 90	+ 34	− 538	− 595	−120	− 93	—	−213
2	− 74	—	− 74	+126	− 133	− 81	+ 23	−121	—	− 98
3	+ 2	+ 5	+ 7	−328	+ 134	− 187	+ 20	− 76	—	− 56
4	− 8	—	− 8	+293	− 525	− 240	− 73	+203	—	+130
1981 *1*	− 2	+ 1	− 1	+225	+ 71	+ 294	− 92	− 28	—	−120
2	− 9	+ 2	− 7	..	..	− 7	+229	+145	—	+374

[1] Net of repayments.

[2] Excluding net foreign currency borrowing under the exchange cover scheme which is included under 'official financing'.

The UK Continental Shelf oil and gas programme[1]

TABLE 13

Not seasonally adjusted

£ million

	Volume of sales		Value of sales		Identifiable balance of payments entries			
	Gas (million terrajoules)	Oil (million tonnes)[2]	Gas	Oil	Import of goods[3]	Imports less exports of services	I.P.D. due abroad[4]	Overseas investment in UKCS etc.[5]
1975	1·4	1·4	190	58	−341	−481	− 23	+ 946
1976	1·5	11·8	258	645	−536	−647	− 24	+1,142
1977	1·6	37·8	317	2,226	−531	−704	− 550	+1,508
1978	1·5	53·1	432	2,805	−185	−543	− 744	+ 791
1979	1·5	77·5	538	5,689	−171	−436	−1,368	+ 694
1980	1·4	79·2	620	8,852	−144	−469	−2,205	+ 646
1978 *1*	0·5	11·2	137	598	− 23	−109	− 153	+ 296
2	0·3	12·9	92	697	−102	−153	− 167	+ 198
3	0·2	13·6	64	707	− 48	−155	− 182	+ 178
4	0·4	15·4	139	803	− 12	−126	− 242	+ 119
1979 *1*	0·5	17·7	182	1,005	− 15	− 87	− 291	+ 179
2	0·3	19·4	110	1,314	− 15	− 94	− 336	+ 200
3	0·2	20·9	78	1,638	− 65	−115	− 373	+ 99
4	0·4	19·5	168	1,732	− 76	−140	− 368	+ 216
1980 *1*	0·5	19·8	197	2,134	− 19	−101	− 569	+ 173
2	0·3	19·5	125	2,222	− 50	−109	− 616	+ 109
3	0·2	19·1	92	2,156	− 26	−116	− 486	+ 268
4	0·4	20·8	206	2,340	− 49	−143	− 534	+ 96
1981 *1*	0·5	22·0	231	2,821	..	−101	− 531	+ 429
2	0·3	21·5	153	3,010	..	−118	− 476	+ 333

[1] No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts. The problems involved are described briefly in Chapter 9 of 'United Kingdom Balance of Payments 1981 Edition' (the 'Pink Book').

[2] Including condensates and petroleum gases.

[3] Identified direct imports of goods for use on UKCS.

[4] Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf programme; and rough estimates of interest paid on foreign currency borrowing from UK banks in respect of the UKCS programme.

[5] Overseas investment for use in the UK Continental Shelf programme (including profits of UK subsidiaries of overseas companies retained in the United Kingdom); foreign currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

Official financing[1]

TABLE 14

£ million

	Net transactions with oversees monetary authorities							Foreign currency borrowing:			
	International Monetary Fund[2]				Other monetary authorities[3]						
	UK drawings	UK re-purchases	Other net drawings[4]	Total	Foreign currency	Sterling	Total	by HM Government[5]	by public bodies under exchange cover scheme[7]	Drawings on (+)/ additions to (−) official reserves[6]	Total official financing
1975	—	—	—	—	—	—	—	+423	+ 387	+ 655	+1,465
1976	+1,018	—	—	+1,018	− 20	− 14	− 34	—	+1,791	+ 853	+3,628
1977	+1,525	−412	—	+1,113	—	—	—	+871	+ 243	−9,588	−7,361
1978	—	−948	−68	−1,016	—	—	—	+191	− 378	+2,329	+1,126
1979	—	−596	—	− 596	—	—	—	—	− 250	−1,059	−1,905
1980	—	−140	—	−140	—	—	—	−629	− 312	− 291	−1,372
1978 *1*	—	—	—	—	—	—	—	—	− 219	+ 46	− 173
2	—	−463	−42	−505	—	—	—	+191	− 218	+2,026	+1,494
3	—	—	−26	− 26	—	—	—	—	− 130	− 54	− 210
4	—	−485	—	−485	—	—	—	—	+ 189	+ 311	+ 15
1979 *1*	—	—	—	—	—	—	—	—	+ 76	− 955	− 879
2	—	−522	—	−522	—	—	—	—	− 168	− 68	− 758
3	—	− 36	—	− 36	—	—	—	—	− 109	− 152	− 297
4	—	− 38	—	− 38	—	—	—	—	− 49	+ 116	+ 29
1980 *1*	—	− 36	—	− 36	—	—	—	—	− 196	− 457	− 689
2	—	− 35	—	− 35	—	—	—	—	− 71	− 140	− 246
3	—	− 35	—	− 35	—	—	—	−480	+ 13	+ 223	− 279
4	—	− 34	—	− 34	—	—	—	−149	− 58	+ 83	− 158
1981 *1*	—	− 33	—	− 33	—	—	—	—	+ 33	− 319	− 319
2	—	− 35	—	− 35	—	—	—	−942	− 306	+1,448	+ 165

[1] From 23 August 1971, valued in sterling at market related rates of exchange.

[2] Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included.

[3] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps.

[4] Drawings (−) and repurchases (+) in sterling by other countries.

[5] Drawings on (+) and repayments of (−) two euro-dollar facilities for HM Government to borrow $2,500 million and $1,500 million, and a $350 million bond issue in New York.

[6] From July 1972, includes transactions affecting the UK reserve position in the IMF.

[7] Includes loans from the European Investment Bank to the Northern Ireland Central Government (£15 million in 1979 Q1) and to British Nuclear Fuels Ltd., (£4 million in 1979 Q1; £4 million in 1980 Q2; £40 million in 1980 Q4 and £17 million in 1981 Q1).

External liabilities and claims of UK banks in foreign currencies[1]

TABLE 15

£ billion

End of period

	Total	Country analysis									Analysis by type of customer		
		EC countries[2]	Other Western Europe	North America	Other developed countries[3]	Eastern Europe	Oil exporting countries[3]	Off-shore banking centres[3]	Other developing countries	Unallocated[4]	Central monetary institutions	Other banks[5]	Other
UK liabilities													
1975	63·4	16·0	13·2	6·8	1·7	0·8	11·2	7·8	5·0	0·9		55·2	8·1
1976	87·3	20·5	15·9	9·3	2·5	1·1	16·6	12·0	7·4	1·9		75·3	12·0
1977	89·3	20·7	17·2	10·8	1·3	0·9	16·6	11·1	8·6	2·2		76·6	12·7
1978	104·6	23·6	20·3	15·0	2·4	1·2	15·0	14·0	10·7	2·5	20·5	67·9	16·1
1979 *1*	104·9	22·4	20·6	14·6	2·6	1·3	15·6	13·0	11·9	3·0	23·6	63·9	17·4
2	108·0	23·4	21·4	16·3	2·8	1·3	15·6	13·0	11·7	2·6	24·1	65·8	18·1
3	121·0	24·4	22·8	20·1	4·3	1·5	19·2	14·6	11·9	2·3	26·5	73·3	21·1
4	126·8	26·5	22·6	20·0	3·8	2·0	20·5	15·5	11·8	4·0	27·6	76·7	22·5
1980 *1*	138·3	27·9	24·7	21·5	5·2	1·3	22·5	18·2	11·3	5·7	26·8	86·3	25·2
2	134·7	26·8	23·8	21·6	4·8	1·2	21·9	18·0	10·9	5·7	26·1	84·7	24·0
3	135·0	25·5	24·2	19·6	5·7	1·3	23·6	18·5	10·7	5·9	26·3	83·9	24·8
4	145·0	29·7	24·7	20·8	7·3	1·7	24·6	20·3	10·8	5·0	24·5	92·5	27·9
1981 *1*	162·4	33·8	24·6	24·5	9·7	1·1	28·0	23·0	11·4	6·1	25·9	103·5	32·9
2	188·6	37·2	29·7	30·9	10·0	1·1	32·0	26·7	13·0	8·0	28·0	121·9	38·7
UK claims													
1975	58·4	15·4	6·5	4·0	9·6	3·0	1·7	12·6	5·6	—		42·6	15·9
1976	81·1	21·3	9·0	6·0	12·1	4·7	3·2	17·0	7·8	—		60·0	21·0
1977	83·0	24·4	10·1	6·9	8·4	4·6	4·8	15·5	8·1	0·1		60·9	22·1
1978	99·4	30·9	11·7	7·3	8·7	5·3	7·0	18·2	10·0	0·2	3·6	69·7	26·1
1979 *1*	98·7	29·4	11·7	7·9	8·7	5·1	7·0	17·3	11·1	0·3	1·9	70·5	26·3
2	102·0	29·6	11·8	9·1	8·9	5·4	7·1	18·2	11·5	0·4	1·9	73·6	26·5
3	114·7	31·5	12·5	12·1	10·8	5·6	7·9	21·8	12·1	0·4	1·7	84·7	28·3
4	121·4	34·3	14·0	13·0	10·6	5·9	8·1	22·2	12·9	0·4	1·7	90·1	29·5
1980 *1*	132·3	35·2	15·9	14·8	12·5	5·9	8·1	24·8	14·7	0·4	2·2	97·6	32·5
2	129·1	35·9	15·1	13·4	12·8	5·7	7·9	23·4	14·6	0·4	1·6	94·5	33·0
3	129·5	35·6	15·6	12·4	14·3	5·7	7·9	22·4	15·2	0·4	1·5	94·0	34·0
4	139·5	38·5	17·4	12·5	16·2	6·0	8·5	23·5	16·4	0·6	1·5	103·0	35·0
1981 *1*	157·2	45·5	17·3	15·5	18·4	6·2	8·4	26·7	18·8	0·5	1·9	116·2	39·0
2	184·3	51·6	20·4	18·8	19·9	7·0	10·2	33·0	22·7	0·7	1·7	135·9	46·7
Net Liabilities[6]													
1975	4·9	0·6	6·7	2·7	— 7·9	—2·2	9·5	— 4·8	— 0·6	0·9		12·7	— 7·7
1976	6·2	— 0·8	6·9	3·3	— 9·6	—3·5	13·5	— 5·0	— 0·4	1·9		15·2	— 9·0
1977	6·3	— 3·7	7·1	3·8	— 7·1	—3·7	11·8	— 4·5	0·5	2·1		15·7	— 9·4
1978	5·2	— 7·4	8·5	7·6	— 6·3	—4·1	7·9	— 4·1	0·7	2·3	17·0	— 1·7	—10·0
1979 *1*	6·2	— 7·0	8·9	6·6	— 6·1	—3·9	8·6	— 4·3	0·8	2·6	21·7	— 6·6	— 8·9
2	6·0	— 6·2	9·6	7·2	— 6·1	—4·1	8·4	— 5·3	0·3	2·2	22·2	— 7·7	— 8·5
3	6·3	— 7·1	10 2	8·0	— 6·5	—4·2	11·3	— 7·1	— 0·2	1·9	24·9	— 11·4	— 7·2
4	5·4	— 7·8	8·6	6·9	— 6·8	—3·9	12·4	— 6·6	— 1·1	3·6	25·9	— 13·5	— 7·0
1980 *1*	5·9	— 7·3	8·8	6·7	— 7·3	—4·7	14·4	— 6·7	— 3·4	5·2	24·6	— 11·3	— 7·4
2	5·7	— 9·1	8·7	8·1	— 7·9	—4·5	14·1	— 5·3	— 3·6	5·3	24·5	— 9·8	— 9·0
3	5·5	—10·2	8·5	7·3	— 8·5	—4·4	15·6	— 3·9	— 4·5	5·5	24·7	— 10·1	— 9·2
4	5·5	— 8·8	7·3	8·3	— 8·9	—4·3	16·1	— 3·2	— 5·6	4·4	23·0	— 10·5	— 7·0
1981 *1*	5·2	—11·6	7·3	9·1	— 8·6	—5·1	19·6	— 3·7	— 7·4	5·6	24·0	— 12·7	— 6·1
2	4·3	—14·4	9·3	12·1	— 9·9	—5·9	21·8	— 6·3	— 9·7	7·3	26·4	— 14·0	— 8·1

[1] Including liabilities and claims of certain other financial institutions. These amounts outstanding include revaluations in sterling terms, liabilities incurred by UK banks in respect of borrowing by public bodies under the exchange cover scheme and HM Government drawings on two euro-dollar facilities, and UK banks' claims in respect of export credit in foreign currencies; thus they are not fully comparable with the transactions shown in Table 7.

[2] Greece is included as an EC country from the beginning of 1981

[3] 'Oil.-exporting countries' and 'offshore banking centres' are as defined in Table 16. 'Other developed countries' here comprises only Australia, Japan, New Zealand and South Africa.

[4] Including international organisations and unallocated items.

[5] Including unallocated items.

[6] An improvement in the coverage of UK financial institutions reporting holdings of US dollar certificates of deposit has reduced UK external liabilities for end-1977 onwards (at end-1977 the reduction was about £50 million).

[7] The figures for March 1979 are not consistent with those for earlier periods because of coverage differences. A comparable figure for total net liabilities at the end of 1978 would be about £300 million higher than that shown.

[8] Minus sign indicates that claims exceed liabliities.

External liabilities and claims in sterling: geographical analysis

TABLE 16

£ million

End of period

	EC countries[1]	Other developed countries[2]	Eastern Europe	Off-shore banking centres[3]	Oil-exporting countries[4]	Other developing countries	International organisations	Unallocated	Total	*of which:* Overseas banks[5]
Exchange reserves held by overseas monetary authorities[6]										
1975	124		411		2,838	322	386	19	4,100	
1976	186		252		1,421	328	436	16	2,639	
1977	174		234		1,360	333	703	31	2,835	
1978	171		213		1,006	325	875	20	2,610	
1979 *1*	144		242		1,069	385	881	27	2,748	
2	189		256		1,139	409	819	35	2,847	
3	222		293		1,335	458	932	19	3,259	
4	153		307		1,205	506	1,102	47	3,320	
1980 *1*	173		307		1,670	508	1,068	51	3,777	
2	164		461		1,902	559	997	49	4,132	
3	167		542		2,105	588	1,017	56	4,475	
4	159		509		2,237	583	1,108	57	4,653	
1981 *1*	172		412		2,454	504	1,120	68	4,730	
2	189		380		2,591	581	1,101	76	4,918	
Banking and money market liabilities to holders other than OMA's										
1975	774	864	65	229	466	815		16	3,229	1,156
1976	899	935	58	231	497	852		12	3,484	1,128
1977	1,309	1,253	59	411	747	1,180		6	4,965	1,876
1978	1,265	1,336	68	350	983	1,246		10	5,258	1,695
1979 *1*	1,309	1,511	69	414	1,107	1,302		17	5,729	1,846
2	1,200	1,705	71	500	1,236	1,368		8	6,088	1,752
3	1,250	1,816	76	549	1,344	1,491		10	6,536	1,962
4	1,782	2,077	93	708	1,588	1,583		8	7,839	2,740
1980 *1*	1,524	2,122	74	834	1,769	1,675		11	8,009	2,742
2	1,878	2,352	87	900	2,021	1,743		39	9,020	3,367
3	2,073	2,617	85	992	2,146	1,889		40	9,842	3,748
4	2,425	2,708	115	1,081	1,998	1,958		36	10,321	4,177
1981 *1*	2,767	2,609	79	1,095	2,053	1,999		17	10,619	4,334
2	2,963	2,913	79	1,295	2,180	2,069		12	11,511	4,956
Claims of UK banks[7]										
1975	577	1,609	320	302	646	1,245	3	6	4,708	419
1976	720	2,023	471	344	859	1,448	5	8	5,878	562
1977	1,051	1,811	561	329	1,083	1,558	—	9	6,402	640
1978	1,281	1,959	689	421	1,216	1,693	—	14	7,273	723
1979 *1*	1,202	1,916	713	440	1,198	1,716	—	16	7,201	736
2	911	1,940	714	482	1,169	1,748	—	18	6,982	555
3	941	1,965	742	486	1,110	1,756	1	32	7,033	660
4	992	1,856	752	481	1,089	1,757	1	33	6,961	700
1980 *1*	1,169	2,025	804	514	1,083	1,742	4	24	7,365	969
2	1,588	2,116	782	594	1,023	1,753	—	15	7,871	1,473
3	1,891	2,321	798	725	1,059	1,737	33	11	8,575	2,061
4	2,454	2,441	840	820	1,111	1,750	33	26	9,475	2,828
1981 *1*	2,977	2,764	864	1,140	806	1,772	35	22	10,380	3,643
2	2,961	2,933	907	1,250	820	1,776	37	14	10,698	3,711

[1] Greece is included as an EC country from the beginning of 1981.

[2] Western Europe other than EC countries; North America; Australia, Japan, New Zealand and South Africa.

[3] Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Hong Kong, Lebonon, Liberia, Netherlands Antilles, Panama, Singapore, Vanuatu, and certain other West Indies.

[4] Algeria, Bahrain, Brunei, Equador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates and Venezuela.

[5] In the liabilities section this comprises deposits placed with banks in the UK by banks abroad on their own account and also deposits from banks' trustee accounts, which may originate from non-banks: certificates of deposit are excluded. In the claims section this comprises only claims on banks' (other than OMA's) abroad in respect of loans, advances and balances; bills and acceptances are excluded.

[6] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks etc.

[7] Loans, advances and balances; and bills and acceptances, many of which represent export credit including those which have been refinanced (see Table 11).

External sterling liabilities: analysis by component

TABLE 17

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]							Banking and money market liabilities to holders other than CMI's		
		Banking and money market liabilities								
		External deposits with:								
	British government stocks[2]	Banks and other institutions[3]	Local authorities	Treasury bills	Total	Non-interest bearing notes	Total exchange reserves	External deposits with banks and other institutions[3]	Treasury bills	Total
1975	1,143	1,365	332	1,069	2,766	191	4,100	3,201[4]	28	3,229
1976	1,103	719	159	448	1,326	210	2,639	3,470	14	3,484
1977	1,323	852	28	334	1,214	298	2,835	4,945	20	4,965
1978	1,102	602	44	431	1,077	431	2,610	5,253	5	5,258
1979 *1*	973	699	85	510	1,294	481	2,748	5,718	11	5,729
2	979	702	11	695	1,408	460	2,847	6,065	23	6,088
3	1,189	724	16	878	1,618	452	3,259	6,511	25	6,536
4	1,281	869	18	527	1,414	625	3,320	7,771	68	7,839
1980 *1*	1,318	1,016	25	795	1,836	623	3,777	7,979	30	8,009
2	1,766	1,202	25	566	1,793	573	4,132	8,957	63	9,020
3	2,203	1,182	39	501	1,722	563	4,488	9,786	56	9,842
4	2,333	1,270	23	436	1,729	591	4,653	10,294	27	10,321
1981 *1*	2,235	1,301	38	477	1,816	679	4,730	10,597	22	10,619
2	2,388	1,361	34	527	1,922	608	4,918	11,497	14	11,511

[1] Sterling reserves of overseas countries and international organisations (other then the IMF) as reported by UK banks etc.

[2] Government stocks held by CMI's are revalued annually at mid-November at current market prices. This altered the fourth quarter values each year as follows: 1975 + 83, 1976 − 54, 1977 + 215, 1978 − 106, 1979 − 69 and 1980 + 122.

[3] Includes sterling certificates of deposit. [4] Improvements in coverage in the second quarter of 1975 added some £180 million.

Official financing liabilities and official reserves [1, 2, 3]

TABLE 18

£ million

End of period

	Other foreign currency borrowing			Official reserves					
				£ million	$ million				
	IMF[4]	By HM government	By public sector under exchange cover scheme	Total official financing liabilities	Total	Total	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF[5]
1975	—	1,235	3,174	4,409	2,683	5,429	888	840	3,335	366
1976	1,205	1,469	5,646	8,320	2,426	4,129	888	728	2,513	—
1977	2,100	2,085	5,219	9,404	10,715	20,557	938	604	19,015	—
1978	1,055	2,131	4,579	7,765	7,689	15,694	964	500	14,230	—
1979 *1*[2]	1,042	2,105	4,584	7,731	8,446	17,454	985	918	15,571	—
	1,113	2,105	4,791	8,009	10,620	21,947	4,081	981	16,885	—
2	557	2,003	4,396	6,956	10,163	22,070	4,085	1,074	16,911	—
3[5]	512	1,975	4,226	6,713	10,305	22,692	3,265	1,114	18,313	—
4	471	1,955	4,129	6,555	10,129	22,538	3,259	1,245	18,034	—
1980 *1*	447	2,010	4,044	6,501	11,032	23,874	3,368	1,461	18,814	231
	433	2,010	3,989	6,432	12,460	26,963	6,996	1,418	18,325	224
2	365	1,846	3,592	5,803	11,952	28,172	6,958	977	19,500	737
3	327	1,340	3,559	5,226	11,572	27,637	6,947	985	18,855	850
4	294	1,191	3,531	5,016	11,487	27,476	6,987	560	18,621	1,308
1981 *1*	279	1,271	3,798	5,348	12,698	28,469	7,005	1,135	19,021	1,308
	273	1,271	3,761	5,305	12,583	28,212	7,277	1,110	18,546	1,279
2	276	484	4,022	4,762	13,223	25,631	7,279	1,030	15,975	1,347

[1] Until end-March 1979 convertible currencies are valued in dollars at middle or central rates; Special Drawing Rights are valued at SDR1 = $1·20635; gold is valued at $42·2222 per fine ounce.

[2] From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. Convertible currencies and SDRs are valued at the average of the middle market closing rates in the three months to end-March, or (from end-March 1980) at their actual dollar value on the last working day of March, whichever is the lower. Gold is valued at the average of the London fixing prices for the three months up to end-March less a 25 per cent discount or (from end March 1980) at 75 per cent of its final fixing price on the last working day of March, whichever is lower.

[3] Data denominated or expressed in dollars are converted to sterling at end-period middle market rates.

[4] Drawings from the IMF, excluding interest and charges and net of repayments to and drawings from the IMF by other countries in sterling. Excludes transactions which affect the UK reserve position in the Fund.

[5] From July 1979 reserve holdings include European Currency Units acquired from swaps with the European Monetary Co-operation Fund. As shown above, these are included within convertible currencies and are valued at the average of the $/ECU or $/European Unit of Account exchange rates in the 3 months to end-March or at their actual dollar value on the last working day of March, whichever is lower.

Recent developments in economic accounts for agriculture

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Introduction

Economic accounts for agriculture in the United Kingdom have evolved over time partly as a result of internal reviews of principles and practice, and partly in response to external influences which generate changing needs and circumstances. Some of the problems associated with producing the accounts were discussed in an earlier article in 1973[1] with the emphasis on the internal aspects of development. Whilst much of the basic framework of the account constructed at that time remains, UK membership of the European Community has led to a number of changes. This further article describes recent developments that have arisen largely from external Community influences. The process of harmonising UK methods with those used for the Community agricultural accounts has involved several important changes in concept. These were tackled in two stages. In 1977[2] the accounts were moved from a crop year to a calendar year basis and then in 1979[3] three further changes were introduced:

i the treatment of breeding livestock as capital rather than work-in-progress;

ii a small extension of the definition of agriculture to include statistically insignificant holdings, stud farms, and agricultural contractors;

iii the termination of the treatment of the national farm on a tenanted basis: this affected the estimation of net rent and interest.

The changes also constituted a major step forward towards the aim of achieving a single account for agriculture to meet departmental, national and Community needs. This was sought in order to avoid the confusion that tended to arise through the dissemination of very similar, but different figures from three separate sets of accounts prepared for the national accounts Blue Book, the Agricultural Departments' Annual Review White Paper and Community publications.

Before describing the changes in greater detail, some mention must be made of the structure of the accounts that have been adopted. The concepts, definitions and rules for the calculation of national accounts for submission to the Statistical Office of the European Communities (SOEC) have evolved within the framework of the European System of Integrated Accounts (ESA). As a result of discussions, first within the original six member countries and latterly within the nine, now ten, a system of economic accounts for agriculture (EAA) has been, and is still being, developed to meet the special requirements of agriculture which, from the national accounting aspect, has unique characteristics. The actual availability of statistics within the member countries has also had a bearing on the scope and structure that can be achieved in practice. Economic accounts for agriculture in the United Kingdom, as in other member states of the Community, have of necessity developed on branch, rather than on sector, concepts. Under the branch concept, the accounts cover output and input transactions relating to all agricultural products irrespective of where they are produced, whereas, within the sector approach, it is not the total output of agricultural products which is recorded but only that proportion which is produced in agricultural establishments classified to the industry 'agriculture' because their main activity is farming. The sector 'agriculture' would include also the value of output from non-agricultural activities engaged in by agricultural establishments.

The branch orientated development has risen from the nature of the industry's structure which comprises a very large number of small individual producer units for which sufficiently informative accounts often do not exist. In contrast, accounts for other sectors of industry are generally available in respect of corresponding individual businesses from which estimates of output are available, albeit only at aggregate levels, chiefly from Annual Census of Production data. A further concept applicable to agricultural accounts is that of the 'national farm'. In practice this means that all producer units are regarded as forming the single national farm and only transactions involving movements across the 'national farm' boundary are quantified. Thus, direct sales between farms, for which information is scarce and difficult to obtain, can be ignored though costs involved in such transfers such as auctioneer's fees and market tolls must be assessed.

Reference has already been made above to the aim of producing a single account to meet departmental, national and Community needs. Although the various accounts have been harmonised at aggregate levels, i.e. at gross value added (gross product) or, after allowing for depreciation, net value added (net product) levels, the intermediate stages of the accounts are constructed and presented in somewhat different ways. In the account compiled for United Kingdom national and departmental purposes, output is valued at factor cost, where

Factor cost = market prices *less* indirect taxes *plus* subsidies.

Any subsidies paid on input items are included under production grants rather than as a discount on the input side. The input bills also include an estimate of unrecovered VAT. For Community accounts output is valued at market prices rather than at factor cost. Input items considered to be indirect taxes (licenses and rates) are not included in intermediate consumption. Similarly, subsidies which are normally included as sundry receipts or production grants in the departmental account are not included in the final output aggregates.

The variations in the structures of United Kingdom and Community accounts are compared overleaf.

[1] 'Economic accounts for agriculture' (Snowdon and Roberts) *Economic Trends*, No. 235, May 1973 (HMSO)
[2] *Annual Review of Agriculture 1978*, Table 21, Cmnd. 7058 (HMSO 1978)
[3] *Annual Review of Agriculture 1980*, Table 21, Cmnd. 7812 (HMSO 1980)

	National and departmental accounts		European Community accounts
	Sales at factor costs		Sales at market prices
plus	Own account capital formation (breeding livestock and other)		adjusted for value of physical changes in output stocks, work-in-progress and own account capital formation (breeding livestock only)
plus	Production grants, etc.		
plus	Value of physical change in output stocks and work in progress (closing stock *minus* opening stock)	*plus*	Own account capital formation (other items)
equals	Gross output	*equals*	Final output
minus	Expenditure on goods and services	*minus*	Intermediate consumption (including input stock changes)
minus	Value of physical change in input stocks (opening stock *minus* closing stock)	*equals*	Gross value added at market prices
		minus	Taxes
		plus	Subsidies
equals	Gross value added at factor costs (gross product)	*equals*	Gross value added at factor cost
		minus	Depreciation
		equals	Net value added at factor cost (net product)
			Comprising: Labour Interest Net Rent Farming Income

Both accounts are net of value added tax.

Changes in concepts

The following sections consider each of the areas affected by the recent changes listed earlier:

(i) *The move to calendar years*

Until 1978, crop year accounts, in one form or another had been in use for several decades and certainly since Annual Reviews first commenced following the 1947 Acriculture Act. They were compiled on a June/May basis and hence broadly followed the natural annual cycle of agricultural cropping. Requirements for calendar year figures, chiefly for the United Kingdom's national accounts were obtained by means of fairly crude adjustments, usually by applying 5/12 : 7/12 fractions to the appropriate crop year figures. This method produced acceptable calendar year approximations for many individual output and input elements but had serious shortcomings chiefly where stocks and work-in-progress were concerned.

The need for a move from crop year to calendar year accounts became increasing apparent as the United Kingdom approached the end of its transition to full membership of the European Community. The successive Annual Reviews of Agriculture for the United Kingdom, which provided the main reason for the use of crop year accounts, were being largely superseded by the Common Agricultural Policy (CAP) reviews. Accordingly, it was clearly appropriate to work on the same calendar year basis as other member states. Furthermore, the SOEC required calendar year data for the Sectoral Income Index which had then been introduced as an important indicator in the briefing for CAP price fixing considerations[4]. A secondary factor, but an important one, was the timing aspect. The Commission, in preparing for the CAP negotiations, start their annual round in the early autumn of the year under review with a request for calendar year estimates for that year. This timing was already having an influence on the timetable for the United Kingdom's own Agricultural Review and consequently a complete change to a calendar year basis was made to permit reliable data on the United Kingdom to be included in Community analyses of the agricultural income situation.

To provide a link between crop and calendar year series, estimates were made as far back as 1967. The consequential revisions to all individual output and input elements of the account involved changes in methodology rather than concept. It may help to summarise certain features of the transformation processes. On the output side few serious problems were encountered where sales of farm produce were predominantly recorded on a monthly basis as they are for livestock products and, for the most part, for cereals and potatoes. Elsewhere, certain seasonal crops, mainly horticulture, fall naturally into a particular calendar year. This also applies to sugar beet, subject to a small constraint in that it is assumed that the entire crop is processed by the end of the year in which it is harvested. The handling of purchased feedingstuffs and most other main input items was fairly straightforward though data relating to part of the feedingstuffs bill, to fertilisers and to seed were more difficult to allocate to particular calendar years. In addition there were a few minor output and input estimates available only in terms of crop years for which a 5/12 : 7/12 system of allocation had to be adopted. But the key element which separates the crop and calendar series of accounts, is stocks and work-in-progress and, in particular, the contrasting stock position at mid and end-year. A further effect of moving to a calendar year was generally to produce smoother annual series for some components of the account. This is because each calendar year

[4] See, for example. *Sectoral Income Index 1980*, Doc D/SX/50. Statistical Office of the European Communities (1981)

incorporates parts of the two crop years, which in themselves tend to be volatile owing largely to weather effects. Chart 1 compares the trend in farming net income on a crop and calendar year basis. The figures used are those current in 1976 and differ in absolute value from the present income series because of later changes to the basis of compilation and to the data used.

To sum up, the move to calendar year accounts was essential in order to achieve harmonisation with economic accounts of the European Community and has provided estimates which can be used directly for national accounts purposes without resorting to approximation methods. It has also improved the reliability of estimates for the current year by reducing the element of forecasting involved. On the debit side, it is more difficult to study trends for individual commodities since the effect of changes in prices and levels of production clearly tend to follow a crop year pattern.

(ii) *Stocks and work-in-progress and treatment of breeding animals*

As with many forms of accounts, the accounts for agriculture contain elements representing the change in value from one year to the next of stocks and work-in-progress. When the agricultural accounts were on a crop year basis, the output items consisted chiefly of work-in-progress related to livestock and growing crops. Stored crops such as potatoes and cereals were of only minor importance at the end of May when the accounting year closed and they were not included in the output calculation. After the agricultural accounts were put on a calendar year basis stocks of stored crops took on more importance with the end of the accounting period moving to December of each year whilst work-in-progress on growing crops diminished in importance. A separate stock item comprising cereals, potatoes and apples and pears all valued at estimated cost of production was therefore introduced into the account. The change in value of stocks and work-in-progress between years can, in practice, be divided into two parts, the first due to change in the volume of stocks and livestock numbers, and the second due to price changes between years, the price effect being ascribed to stock appreciation. In the 1977 Annual Review it was decided to separate in the account the two effects on stocks and work-in-progress. At the 1980 Annual Review, the separation of the stock appreciation element made earlier was carried to its logical conclusion in accordance with EAA practice, by removing this item from the production account completely. However, the value of stock appreciation continued to appear as a contribution to the increase in book value of stocks in the gross capital formation table (now No. 19) in the Annual Review White Paper. As a further measure towards harmonising with Community accounts, the volume changes for growing crops were removed from the calculation of work-in-progress. In any case the volume changes on many of these items were of small relative importance. Fodder crops, chiefly comprising hay and silage, were also removed from the calculation, principally because the means to estimate these stocks sufficiently reliably at the end-year position were not available.

A further change required for harmonisation with the EAA was in the treatment of breeding livestock. The Ministry's practice has been to consider these as part of work-in-progress, the change in value due to volume appeared in the production account along with other stocks of livestock for fattening. Under the EAA system however, breeding livestock is treated as capital and not as stock. In adopting this practice for the UK accounts, a change in value arising from a volume change in the breeding herd from one year to the next now appears under the heading of Own Account Capital Formation.

This approach was introduced into the United Kingdom accounts in 1979. The data in the two sets are, however, presented somewhat differently, as summarised below:

(*i*) For departmental accounts and for national accounts purposes the change due to volume changes is split into four categories:

a breeding livestock capital formation
b other livestock work-in-progress
c output stock change
d input stock change

(*ii*) For Community accounts it is necessary to disaggregate further *a*, *b*, and *c* above, in such a way that
for each crop,
output = sales + stock change
for each class of livestock,
output = sales + capital formation + work-in-progress

Further information on the calculation of own account capital formation and stocks and work-in-progress is given in Appendix 3.

(*iii*) *Coverage of agriculture*

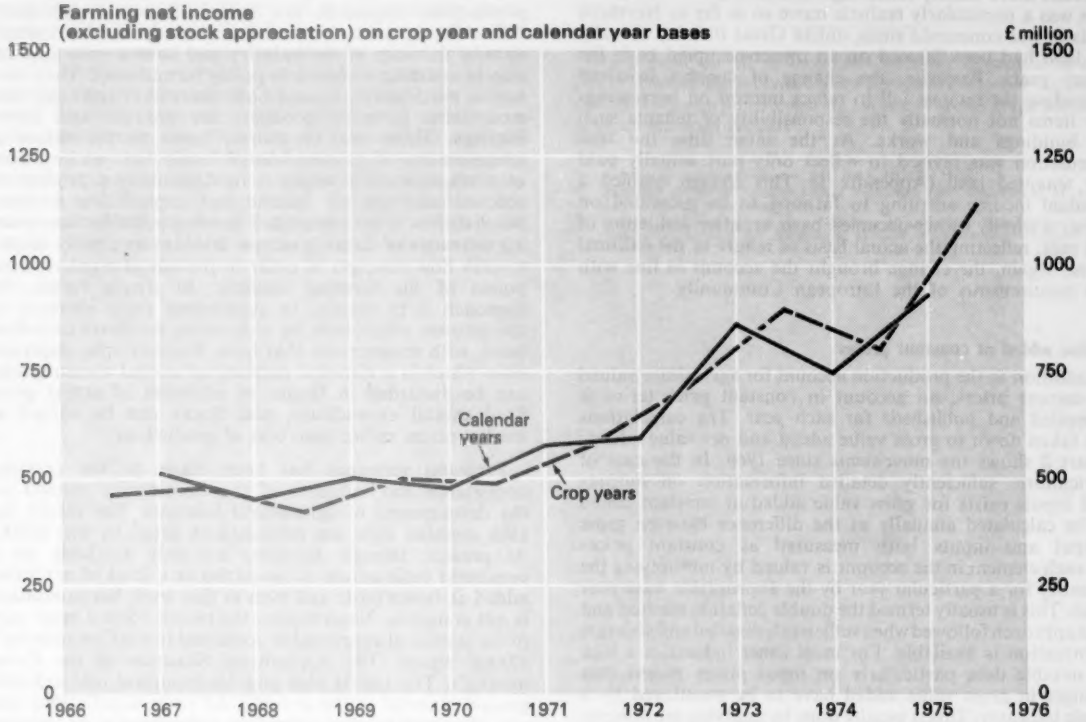
There has been a number of variations in the coverage accorded to agriculture in the context of economic accounts. For many years the income figures related to 'commercially significant holdings'. Broadly, these were holdings of 26 standard man-days and above valued on the basis of the labour normally needed for working the crops and livestock on the holdings over a full year. This was linked with the adoption of a 26 standard man-day threshold for the coverage of the annual agricultural censuses and so excluded a large number of smaller holdings in order to reduce the burden of form-filling and analysis. The adoption of the EAA branch concept involved the valuing of production of all agricultural products from all types of units including very small holdings, gardens and allotments. Also agricultural contractors and stud farms, which produce horses for breeding come within the definition. Not included in the calculation is output arising from non agricultural activities of the holdings such as riding stables, camping and holiday lettings, sporting rights, fish farming, etc. Also excluded are the processing and packing activities which may be present when production processes on the holdings are vertically integrated. The inclusion of output from small holdings, contractors and stud farms resulted in a small increase in income estimates but the year-to-year trends have been very little affected.

(*iv*) *Nature of tenure of the national farm*

Up until the middle of the present century the majority of agricultural land in Great Britain was farmed on a tenanted basis. Because of this, and for reasons of consistency, the agricultural account had for many years been compiled on the assumption that the national farm was wholly tenanted with an imputed rent being attributable to the owner-occupier sector. There has, however, been a steady movement towards the owner occupation of land so that by 1980 60 per cent of agricultural land was owner-occupied. The growth in the owner-occupied proportion of agricultural land meant that the tenanted assumption was becoming increasingly unrealistic and it

CHART 1

Farming net income (excluding stock appreciation) on crop year and calendar year bases



Compiled from data available at Annual Review 1977 and 1978

CHART 2

Comparisons of gross product, net product, gross output and gross input at 1975 constant prices

Compiled from data available at Annual Review 1981

was considered an appropriate time to move on to an account more closely reflecting the actual tenure situation: this was a particularly realistic move so as far as Northern Ireland was concerned since, unlike Great Britain, virtually all land had been farmed on an owner-occupied basis for many years. Basically, the change of concept involved extending the interest bill to reflect interest on borrowings for items not normally the responsibility of tenants such as buildings and works. At the same time the rent calculation was revised to reflect only rent actually paid for tenanted land (Appendix 3). This change enabled a residual income accruing to farming to be presented on either a wholly owner-occupied basis or, after deduction of net rent, reflecting the actual basis of tenure of the national farm. Again, the change brought the account in line with the requirements of the European Community.

Value added at constant prices

In addition to the production account for agriculture valued at current prices, an account in constant price terms is compiled and published[5] for each year. The calculations are taken down to gross value added and net value added; Chart 2 shows the movements since 1969. In the case of agriculture, sufficiently detailed information on outputs and inputs exists for gross value added at constant prices to be calculated annually as the difference between gross output and inputs both measured at constant prices i.e. each element in the account is valued by multiplying the quantity for a particular year by the appropriate base year price. This is usually termed the double deflation method and is an approach followed when sufficiently detailed and accurate information is available. For most other industries a lack of suitable data particularly on input prices means that changes in gross value added have to be monitored by a single indicator. This is usually done by applying movements in gross output at constant prices to gross value added in the base year on the assumption that changes in the ratio of gross output at constant prices to gross value added are likely to be small over time. As the chart shows this does not necessarily hold good for agriculture.

The gross product at constant prices is sometimes referred to as a 'real' product. It is important, however, to draw a distinction between constant price series which represent measures of volume over time and income estimates deflated by a general price index; such as the Retail Price Index, which are also termed real and which represent a purchasing power series.

Uses and future developments

As will be apparent from this article, the account for agriculture, in common with accounts for other industries, is compiled from information relating to a wide variety of transactions. However, it is unique in that many of the considerable number of output and input elements that go to form the account can be clearly distinguished, and published, as Appendix 1 illustrates. Thus the accounts provide a detailed picture of the industry at the macro-economic level which can be analysed and developed to meet a wide variety of demands. More particularly, for the United Kingdom's national accounts, the agricultural accounts provide the basis for estimating the industry's contribution to gross domestic product in current and constant terms, for estimating the farming component in the self employed sector, and for estimates of the industry's commodity flows for the Input-Output Tables.

For departmental purposes, the 'output, input and income' calculations, which together with related measures of productivity appear in the *Annual Review of Agriculture* White Paper, provide an essential standpoint from which to view the state of the industry and have a wide application in assisting decisions in policy formulation. Their uses centre, particularly, around both short term and long term movements in gross product, net product and factor incomes. There are, of course, limits to the extent of interpretation of farming income levels that can be placed on a single account which is fundamentally a production account and not an income and expenditure account. Nevertheless, it does provide a starting point for constructing estimates of farming income levels more closely related to cash flow concepts in order to provide alternative viewpoints of the farming industry. In simple terms, the approach is to replace, or supplement those elements in the account which have by convention no direct cash-flow basis, with transactions that have. For example, depreciation, which is a notional estimate of capital consumption, can be discarded in favour of estimates of actual gross fixed capital expenditure, and stocks can be valued at market prices rather than cost of production.

Frequent reference has been made to the growing importance and influence of the Community context on the development of agricultural accounts. The results for each member state are published in detail by the SOEC. At present, though, accounts are only available on a consistent basis across all countries at a level of net value added at factor cost: and even at this level, harmonisation is not complete. Nevertheless, the results form a large part of the statistical appreciation contained in the Commission's annual report 'The Agricultural Situation in the Community'[6]. The results also play an important role as background material to the annual CAP price negotiations and are of general value whenever comparisons of income trends between member states are needed. An important and fairly recent development involving the agricultural accounts is the setting up of the Sectoral Income Index. This index chiefly describes the changes in gross and net value added at factor cost per person employed in agriculture and is usually presented in both nominal and real terms; Appendix 2 shows a summary of some recent results for individual countries. The series, which has been published annually since 1978, has been drawn up within the framework of the EAA with the aim of providing information on the latest income trends in Community agriculture in good time for the annual round of CAP price considerations and negotiations. In order to obtain results in real terms the implicit price index of gross domestic product at market prices for each country is used as a deflator. The weighting factors used for combining the results are member states percentage shares of agricultural gross or net value added at factor cost (at current prices) as appriate for the years in question. The weights used for calculating the 1980 index results were those obtained from 1979 figures.

Looking to the future, no major changes to the existing production branch accounts for the United Kingdom are foreseen in the short term. It is possible that the need for sector accounts will increase with the concentration of farmland in fewer hands but this is looking some years ahead. There will inevitably be minor changes to be made from time to time affecting individual items in the account in order to maintain or improve reliability. An overriding consideration, however, is the need to maintain reliability for estimating trends over time rather than to seek accuracy

[5] *Departmental Net Income Calculation, Annual Review 1981*, Appendix B., Ministry of Agriculture Fisheries and Food (1981).

[6] *The Agricultural Situation in the Community, 1980 Report*. Commission of the European Communities (1981).

in absolute terms for any year in isolation. Developments that are within reach will come as a result of efforts to harmonise existing data. Firstly, at the Community level, the framework of agreed definitions already exists for harmonised accounts below the net value added level and so it is likely that complete production accounts will be available for the Community on a consistent basis in the future. Secondly, because of the wide regional variation in agricultural production, there is a priority need for separate country accounts for the United Kingdom. In consequence, the construction of separate accounts for the three regions, England and Wales, Scotland and Northern Ireland are being undertaken, involving the harmonisation of methods between the present UK accounts and those currently produced for Scotland[7] and Northern Ireland[8]. Separate accounts for England and for Wales are also envisaged.

As a guide to the sources and methods employed in the construction of the present United Kingdom Economic Account for Agriculture a paper covering the major items in the account is available upon request[9].

[7] *Scottish Agricultural Economics*, Vol. XXX. (HMSO 1980).

[8] *Statistical Review of Northern Ireland Agriculture 1980*, Department of Agriculture for Northern Ireland (1981).

[9] Sources and Methods for the Valuation of Individual Main Items in the Production Account for Agriculture, Ministry of Agriculture, Fisheries and Food (1981).

APPENDIX 1

Output, input and income at current prices

£ million

Calendar years:	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Output										
Farm crops										
Wheat	131	125	226	283	296	318	366	449	604	735
Barley	129	153	248	319	329	379	414	550	556	641
Oats and other cereals	10	14	16	17	15	20	22	21	21	21
Potatoes	100	113	127	150	328	585	376	253	375	307
Sugar beet	57	49	69	59	85	97	133	159	206	195
Hops	9	9	9	9	9	11	11	13	16	20
Oil seed, rape	1	1	2	9	9	15	23	28	43	63
Fodder and other minor crops	15	17	28	43	45	39	43	46	61	70
1. Total farm crops	451	480	726	889	1,115	1,465	1,387	1,518	1,883	2,052
Horticulture										
Vegetables (including mushrooms)	171	189	247	312	376	412	497	469	546	561
Fruit	67	86	88	105	96	116	145	153	158	145
Flowers, bulbs, nursery stock, etc.	67	73	81	90	98	114	126	135	148	162
2. Total horticulture	305	349	416	507	571	641	768	757	852	868
Livestock										
Fat cattle and calves	398	468	564	617	897	995	1,060	1,258	1,423	1,492
Fat sheep and lambs	102	115	156	164	187	240	267	300	319	382
Fat pigs	295	309	421	468	494	557	642	689	745	783
Poultry	140	164	211	256	296	360	446	445	489	513
Other	22	28	34	38	43	49	61	63	70	80
3. Total livestock	957	1,038	1,385	1,543	1,918	2,201	2,477	2,755	3,046	3,250
Livestock products										
Milk and milk products	549	623	695	833	1,063	1,292	1,484	1,620	1,761	1,928
Eggs	222	188	304	326	294	362	413	400	462	488
Clip wool	14	15	16	17	20	24	30	33	35	35
Other	3	3	8	9	11	14	14	10	16	15
4. Total livestock products	788	828	1,022	1,184	1,388	1,692	1,941	2,063	2,274	2,467
Own account capital formation										
Breeding livestock	8	34	36	− 21	− 37	− 7	−25	15	− 34	− 31
Other assets	12	18	24	28	30	34	41	50	57	81
5. Total OACF	20	52	60	7	− 7	27	16	65	24	50
6. Total output (1+2+3+4+5)	2,521	2,792	3,608	4,131	4,985	6,026	6,589	7,157	8,077	8,686
7. Compensation payments, etc.	33	35	24	36	40	36	23	31	29	34
8. Production grants	110	108	96	90	152	115	103	93	86	142
9. Total receipts (6+7+8)	2,664	2,935	3,728	4,256	5,177	6,177	6,714	7,281	8,192	8,862
Work-in-progress and output stocks value of physical change in:										
Work-in-progress	24	19	61	− 9	− 53	− 23	16	3	− 26	− 3
Output stocks	24	− 5	− 15	29	−110	− 21	162	15	− 3	27
10. Total value of physical change	48	15	46	20	−163	− 44	178	18	− 29	24
11. Gross output (9+10)	2,713	2,949	3,774	4,276	5,013	6,134	6,893	7,299	8,163	8,886

APPENDIX 1 *continued*

£ million

Calendar years:	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Input expenditure										
Feedingstuffs	620	661	977	1,157	1,180	1,567	1,827	1,774	2,096	2,121
Seeds	54	61	84	103	124	188	216	197	220	237
Livestock:										
(imported and inter-farm expenses)	94	100	94	103	127	109	145	175	137	155
Fertilisers and lime	173	203	213	296	325	376	431	488	571	664
Machinery:										
Repairs	92	98	114	131	159	180	209	244	274	299
Fuel and oil	74	78	85	122	139	163	200	202	258	285
Other expenses	21	23	25	25	32	37	44	47	54	59
Farm maintenance	57	66	72	85	105	126	139	154	170	192
Miscellaneous expenditure	199	219	247	309	393	451	518	577	673	753
12. **Total expenditure**	1,384	1,509	1,911	2,331	2,584	3,197	3,729	3,859	4,453	4,764
Input stocks										
13. value of physical usage of stocks	4	−10	− 7	−15	8	−10	11	25	−18	20
14. **Gross input** (12+13)	1,388	1,499	1,904	2,315	2,592	3,186	3,739	3,884	4,436	4,784
15. **Gross product** (11−14)	1,325	1,451	1,871	1,961	2,421	2,947	3,154	3,415	3,728	4,102
Depreciation										
Plant, machinery and vehicles	159	180	200	261	350	422	511	593	656	718
Building and works	58	72	98	142	167	186	210	239	298	377
16. Total depreciation	217	252	298	402	518	607	721	832	954	1,095
17. **Net product** (15−16)	1,107	1,199	1,573	1,558	1,904	2,339	2,433	2,583	2,774	3,007
Comprising:										
Labour – hired	275	304	357	429	527	624	716	786	909	1,055
– family and partners	118	132	152	185	229	257	262	313	345	407
Interest	47	54	88	124	124	139	153	188	316	460
Net rent	31	32	29	25	28	36	45	54	59	59
Farming income	637	677	947	795	995	1,283	1,256	1,244	1,145	1,025

Note: Using data available at Annual Review 1981.
Figures do not necessarily add to totals shown because of individual roundings.

APPENDIX 2

Sectoral income index

Percentage rates of change for 1980 compared with 1979 for member states and for the average of the nine states (EUR 9)

	EUR 9	Germany	France	Italy	Nether-lands	Belgium	Luxem-bourg	United Kingdom	Ireland	Denmark
Gross value added at factor cost, nominal	2·7	— 3·6	— 1·0	13·0	0·8	— 2·5	0·5	10·0	— 6·6	0·0
Net value added at factor cost, nominal	— 0·1	— 7·4	— 4·8	10·8	— 0·8	— 4·4	— 0·9	8·4	— 9·4	— 4·4
Number of persons employed ..	— 2·0	— 1·5	— 2·8	— 1·6	— 1·3	— 4·0	— 1·0	— 1·5	— 3·0	— 1·0
Gross value added at factor cost per person employed, nominal ..	4·9	— 2·1	1·9	14·8	2·1	1·6	1·5	11·7	— 3·7	1·0
Net value added at factor cost per person employed, nominal ..	1·9	— 6·0	— 2·1	12·6	0·5	— 0·4	0·1	10·1	— 6·6	— 3·4
Implicit price index of gross domestic product at market prices	12·4	5·0	11·9	20·8	5·6	5·1	4·4	19·0	14·8	8·5
Gross value added at factor cost per person employed, real	— 6·7	— 6·8	— 8·9	— 5·0	— 3·3	— 3·3	— 2·8	— 6·1	—16·1	— 6·9
Net value added at factor cost per person employed, real	— 9·3	—10·5	—12·5	— 6·8	— 4·8	— 5·2	— 4·1	— 7·5	—18·6	—11·0

Source: SOEC

APPENDIX 3

Own account capital formation, net rent and work-in-progress and stocks

Own account capital formation

This item consists of two distinct parts. One part represents the component of the change in value of breeding livestock attributable to changes in numbers. As breeding livestock is considered to be a capital item this change represents an investment or disinvestment which the farmer has used current farm inputs to produce. The second part is the component of the industry's gross fixed capital formation produced using farm labour and other current resources, the expenditure of which is included under the relevant input item.

(a) *Breeding livestock capital formation*

In order to value the change in numbers, the cost of producing a breeding animal, known as unit cost, is calculated from information based upon farm enterprise studies. The input components of these unit costs are updated when necessary by reference to changes in input price indices. The unit cost represents the sum of the costs of raising a breeding animal to the point of entry into the breeding herd. The number of relevant animals in each category at the end of each year is obtained from December census data and the corresponding total value of each category of animal is calculated from the combining of animal numbers and unit costs of production for each year.

(b) *Other own account capital formation*

A small proportion of the expenditure recorded in the account under the headings Labour and Miscellaneous expenditure is employed in the creation of fixed assets, and such expenditure is therefore recorded on the output side of the account as 'Own account capital formation'. The largest item is the estimated cost of farm labour used in capital works grant aided under the various capital grant schemes. This value is estimated from the annual new investment in such work, derived from capital grant scheme statistics. The remainder of this item consists of other capital works such as pig and poultry housing, hedges, gates and walls, glasshouse and sundry tenants fixtures. Annual expenditure on these is largely estimated in relation to movements in pig and poultry populations and glasshouse area, including the replacement of worn out facilities.

Rent

The rent bill for the United Kingdom is calculated in respect of tenanted land and relates to England, Wales and Scotland as nearly all agricultural land in Northern Ireland is owner-occupied. In England and Wales the estimates of average rents are derived from information obtained from annual rent enquiries and in Scotland from on-going general field enquiries. The estimates are then scaled up by the total area of tenanted land in each country as revealed by annual agricultural censuses. Deductions are made to take account of:

(*a*) The estimated benefit value of farmhouses and cottages attributable to domestic rather than business uses, based upon indications from Farm Management Survey data.

(*b*) Current expenses incurred by landlords for repairs and maintenance, insurance and statutory charges.

(*c*) Landlords share of the depreciation on buildings and works, as estimated from investment data.

Work-in-progress and stocks

The purpose of these calculations is to quantify the change in value of end of year numbers of livestock for fattening, stored crops on farms and stores of major input items. Only the change between years due to movements in volume are considered in the account: changes in value due to price movements being assigned to stock appreciation. The item can be considered under three main headings; livestock, stored crops and major input stocks.

(*a*) *Livestock*

Only animals being raised for fattening are included under work-in-progress, breeding animals being considered as part of own account capital formation as described earlier. The sources and methodology are basically the same as described for breeding livestock, that is, numbers of animals under various categories are estimated from census data and unit production costs are based upon farm enterprise studies.

There is one important difference, however, in that the cost of production of breeding animals, which is part of the capital account, relates only to the period up to the point of entry into the breeding herd. In calculating work-in-progress for 'other livestock', however, the costs relate production over the years of life of the average animal in the individual livestock classes.

(*b*) *Stored crops*

Unit production costs are similarly estimated from enterprise studies. The items covered are cereals, potatoes and apple and pear stocks. The quantities at end year are the on-farm stocks which will appear in output in the following calendar year. End year quantities are estimated from crop production and usage in the post harvest period of the calendar year.

(*c*) *Input stocks*

These comprise fertilisers and purchased feedingstuffs. As with livestock and output stocks only the change in volume movements contribute to the production account. These are valued at end year market prices.

The household sector

TIM JONES, Central Statistical Office*

Introduction

Statistics on the personal sector of national accounts command considerable attention. The behaviour of consumers is central to macro-economic analysis and forecasting. Morever, personal disposable income, consumers'expenditure and the personal saving ratio are widely accepted as primary measures of the material well-being of the public at large. While such use of these statistics is perfectly valid in its proper context, misunderstandings can arise, in particular because the measures do not accord with perceptions of 'the man in the street'. Thus it may come as something of a surprise that gross wages and salaries account for less than 60 per cent of personal income, and that in 1980 more than 15 per cent of disposable income was saved.

Difficulties arise because the personal sector statistics cover a wider range of transactions than those which directly affect households and individuals themselves. A new form of household income and expenditure account which separates those transactions which directly affect households has therefore been published in the 1981 edition of the Blue Book.† This article explains how the new series have been derived from those for the personal sector as a whole and describes some of the main trends in the series. Experimental capital and financial accounts for the household sector are also presented.

THE PERSONAL SECTOR AND HOUSEHOLD PERCEPTIONS

The personal sector in the national accounts consists mainly of households and individuals as distinct from corporate businesses or organs of government. It includes individuals living in hostels and other institutions, as well as those living in private households. But the sector also includes unincorporated private businesses (such as farms and the businesses of professional men and women), private non-profit-making bodies serving persons (NPBSP, e.g. universities, trade unions, friendly societies, clubs and charities), the funds of life assurance and superannuation schemes (LASS), and private trusts. Personal income and saving therefore cover the income and saving of these sub-sectors as well as of households; moreover transactions between the sub-sectors and households are in general excluded. Table] A shows a summary personal sector income and expenditure account for 1980.

Appendix 1 provides a detailed comparison between the definitions of personal sector income and expenditure and the treatment which has been adopted for the household sector alone. The household sector is taken to include private trusts and individuals living in institutions as well as those living in households.

Definition of income

There is no single definition of household income which is completely satisfactory for all purposes. It is easy to agree that wages are income and that withdrawals of cash from personal bank accounts are not. It is not quite so obvious how payments of pensions to individuals from private pension schemes should be treated. They are not regarded as income in the personal sector accounts because the funds are already considered to belong to the personal sector. But from the household point of view it is natural to consider a pension as income and to treat any corresponding pension contributions by employees, which are likely to be involuntary, as a deduction from income like income tax. The most difficult case concerns the benefits of life assurance policies. For example the benefit obtained from purchasing an annuity consists of a mixture of investment income (interest, etc.) repayment of principal (*less* a deduction for administrative costs) and a transfer to or from the scheme according to the length of life. The benefit on maturity of an endowment life assurance policy is also made up of these elements, except that this is paid as a lump sum rather than in regular amounts.

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† Table 4.4, *National Income and Expenditure, 1981 Edition.*

Personal sector income and expenditure

TABLE A

	1980	
	£ billion	*per cent*
Wages and salaries, forces' pay	119·6	*59½*
Employers' contributions	17·5	*9*
Total income from employment	137·1	—
Income from self-employment	18·4	*9*
Rent, dividends and net interest	19·6	*10*
National insurance benefits and government grants	25·5	*12½*
Other	0·4	—
Total personal income	201·0	*100*
less Taxes on income	26·6	*13*
National insurance, etc. contributions	14·0	*7*
Transfers abroad (net)	0·3	—
Personal disposable income	160·0	*80*
Consumers' expenditure	135·4	*85*
Saving	24·6	*15*
Personal disposable income	160·0	*100*

Income and expenditure of households

TABLE B

	£ million										
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Income											
Direct money income from work and property:											
Wages and salaries including pay in cash of HM Forces	27,429	30,055	33,790	38,917	46,035	59,541	66,857	74,056	84,662	99,200	118,084
Income from self-employment	3,241	3,869	4,810	5,780	5,773	6,545	7,759	8,899	11,059	12,713	13,860
Rent, dividends and interest (gross receipts)	2,809	2,897	2,953	3,954	4,964	5,311	5,919	6,326	7,005	10,798	14,123
Total	33,479	36,821	41,553	48,651	56,772	71,397	80,535	89,281	102,726	122,711	146,067
Income in kind	327	347	384	438	514	674	778	829	954	1,196	1,496
Pensions, social security benefits and other current transfers:											
Pensions and other benefits from life assurance and superannuation schemes	2,206	2,418	2,866	3,285	3,822	4,541	5,415	6,181	7,217	8,512	10,502
State retirement pensions, widows' benefit, etc.	1,978	2,160	2,664	3,040	3,832	4,892	5,980	7,048	8,020	9,152	10,958
Family allowances and child benefit	351	362	347	360	360	499	563	809	1,596	2,681	2,944
Supplementary benefit	517	634	729	705	871	1,103	1,525	1,735	2,064	2,172	2,693
Unemployment benefit	152	218	246	160	229	396	568	635	668	637	1,097
Other social security benefits	711	694	847	959	1,158	1,463	1,870	2,237	2,623	2,927	3,355
Other current transfers	686	765	1,018	1,169	1,334	1,713	2,046	2,481	2,884	3,286	4,017
Total	6,601	7,251	8,717	9,678	11,606	14,607	17,967	21,126	25,072	29,367	35,566
Total household income	40,407	44,419	50,654	58,767	68,892	86,678	99,280	111,236	128,752	153,274	183,129
less United Kingdom taxes on income and additions to reserves	− 5,718	− 6,482	− 6,843	− 8,150	−10,776	−15,137	−17,408	−18,125	−19,500	−21,836	−26,937
less National insurance, etc. contributions (excluding employers' contributions)	− 1,301	− 1,373	− 1,629	− 1,883	− 2,209	− 2,769	− 3,351	− 3,806	− 4,023	− 4,581	− 5,609
less Contributions of employees to occupational pension schemes	− 434	− 512	− 630	− 807	− 918	− 1,288	− 1,504	− 1,624	− 1,954	− 2,384	− 2,720
Total household disposable income	32,954	36,052	41,552	47,927	54,989	67,484	77,017	87,681	103,275	124,473	147,863
Expenditure											
Expenditure on goods and services	29,474	33,027	37,175	42,081	48,069	59,184	68,361	78,337	90,121	106,430	123,194
Interest paid	898	1,020	1,211	1,803	2,322	2,543	3,056	3,653	3,925	5,626	8,139
Life assurance, etc., premiums paid by individuals	1,236	1,496	2,219	2,285	2,159	1,968	2,418	2,823	3,189	3,595	4,220
Other current transfers	397	390	464	585	672	741	801	955	1,234	1,450	1,582
Total current expenditure	32,005	35,933	41,069	46,754	53,222	64,436	74,636	85,768	98,469	117,101	137,135
Balance	949	119	483	1,173	1,767	3,048	2,381	1,913	4,806	7,372	10,728
Total	32,954	36,052	41,552	47,927	54,989	67,484	77,017	87,681	103,275	124,473	147,863

In fact it is not possible at present to separate the benefits of life assurance policies from payments out of pension funds. All such benefits have therefore been treated with pensions as a form of household income and not as 'dissaving'. This treatment implies that the corresponding premiums (whether regular or single) should be included on the expenditure side of the account, despite the likelihood that households would in many cases regard such premiums as a form of saving.

Disposable income

Personal disposable income is defined in the Blue Book as total personal income *less* UK taxes on income, national insurance, etc. contributions (both by employers and employees) and transfers abroad (net). Thus, in the personal account, disposable income can be divided between consumers' expenditure and personal savings, all transfers (including interest payments) having been deducted from the income side (see Table A).

To arrive at household disposable income, taxes on income, employees' national insurance and pensions scheme contributions have been deducted from total household income. But current transfers both overseas and to non-profit-making bodies, as well as interest payments and life assurance premiums are treated as forms of expenditure out of household disposable income.

It may seem illogical, given the treatment of pension contributions, that payments under save-as-you-earn contracts, for example, have not been deducted in arriving at disposable income or treated as a form of expenditure. They are often deducted from wages and are therefore not part of the pay taken home by the employee. These transactions are included in saving, however, as the contract is voluntarily agreed. Further discussion of 'committed' as opposed to 'discretionary' saving is the subject of a separate article due to be published in a later edition of *Economic Trends*.

The household account

The income and expenditure account for the household sector which emerges from this treatment for the years 1970–1980 is reproduced in Table B. Appendix 2 contains a detailed description of the sources and methods used and a table which shows how the accounts for the various subsectors of the personal sector fit together.

COMPARISONS BETWEEN PERSONAL AND HOUSEHOLD SECTOR MEASURES

Table C sets out a comparison between the personal sector and household sector measures. Comparison between personal disposable income (PDI) and household disposable income (HDI) shows that the latter fell from 93 per cent of the former in 1970 to 91 per cent in 1975. This fall was because of a relatively large increase in contributions by employers and employees to pension funds which was not matched by the increase in pensions and life assurance benefits paid. There was also a considerable increase in the stock appreciation of unincorporated businesses as the rate of inflation accelerated. From 1975 onwards the ratio remained relatively stable.

Total household expenditure (which includes interest payments and life assurance premiums but not imputed rent of owner occupied dwellings) turns out to be comparatively close to consumers' expenditure. It was 2 per cent higher in 1972 and 1973 because of a boom in life assurance premium payments. Interest payments rose from below 3 per cent of HDI in 1970 to 1972 to around 4 per cent in 1973 to 1978. In 1980 they amounted to 5½ per cent of HDI. On the other hand imputed rent of owner occupied dwellings, which is included in consumers' expenditure, but not in household expenditure, also increased from about 4 per cent to 5½ per cent of consumers' expenditure over the decade.

As might be expected, the balance of income over expenditure in the household account is considerably smaller than in the personal sector account because the balances in the accounts of the other subsectors are excluded. The difference between the personal and household balances, expressed as ratios of disposable income, fluctuated between 6½ and 9½ percentage points until 1976 when it settled down to around 8½ percentage points.

Real disposable income

Real personal disposable income (RPDI), which is commonly interpreted as measuring living standards, is personal disposable income (PDI) divided by the consumers' expenditure deflator.

Comparisons between personal and household sector measures

TABLE C

		1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Disposable income												
Personal sector (PDI)	£ billion	35·0	38·6	44·7	51·9	60·1	73·9	84·8	96·4	113·8	136·9	160·8
Household sector (HDI)	£ billion	33·0	36·1	41·6	47·9	55·0	67·4	77·0	87·7	103·3	124·5	147·9
Ratio	*per cent*	*94*	*93·5*	*93*	*92*	*91·5*	*91*	*91*	*91*	*91*	*91*	*92*
Expenditure												
Consumers' expenditure	£ billion	31·8	35·6	40·2	45·8	52·7	64·7	75·0	86·0	98·9	116·7	135·4
Household expenditure	£ billion	32·0	35·9	41·1	46·8	53·2	64·4	74·6	85·8	98·5	117·1	137·1
Ratio	*per cent*	*101*	*101*	*102*	*102*	*101*	*99·5*	*99·5*	*100*	*99·5*	*100·5*	*101*
Saving ratios												
Personal saving/PDI	*per cent*	9·3	7·7	10·1	11·9	12·3	12·4	11·6	10·8	13·0	14·7	15·8
Household balance/HDI	*per cent*	2·9	0·3	1·2	2·4	3·2	4·5	3·1	2·2	4·7	5·9	7·3
Difference	*per cent*	*6·4*	*7·4*	*8·9*	*9·5*	*9·1*	*7·9*	*8·5*	*8·6*	*8·3*	*8·8*	*8·5*
Deflators (1975 =100)												
Consumers' expenditure (CED)		55·0	59·6	63·5	69·0	80·9	100	115·6	133·2	145·0	163·4	189·5
Household expenditure (HED)		54·8	59·4	63·1	68·7	80·8	100	115·5	133·2	143·9	162·9	191·2
Ratio	*per cent*	*99·5*	*99·5*	*99·5*	*99·5*	*100*	*100*	*100*	*100*	*99*	*99·5*	*101*
Real disposable income												
Personal (RPDI)	1975 prices, £ billion	63·7	64·7	70·3	75·2	74·2	73·9	73·4	72·4	78·4	83·7	84·9
Household (RHDI)	1975 prices, £ billion	60·1	60·7	65·9	69·8	68·1	67·5	66·7	65·8	71·8	76·4	77·3
Ratio	*per cent*	*94·5*	*94*	*93·5*	*92·5*	*91·5*	*91*	*91*	*91*	*91·5*	*91*	*91*
Personal sector net unidentified sources of funds, as a percentage of PDI[1]		0·9	4·5	0·7	2·4	4·2	2·1	1·5	3·2	0·5	1·3	−0·4

[1] This represents the net errors in the accounts of the personal sector, particularly in the capital and financial accounts (see Table F). A positive figure could (but does not necessarily) mean that the saving ratio is under-stated; a negative figure could mean it is over-stated.

CHART A

Real disposable income

Average 1970 to 1979 = 100

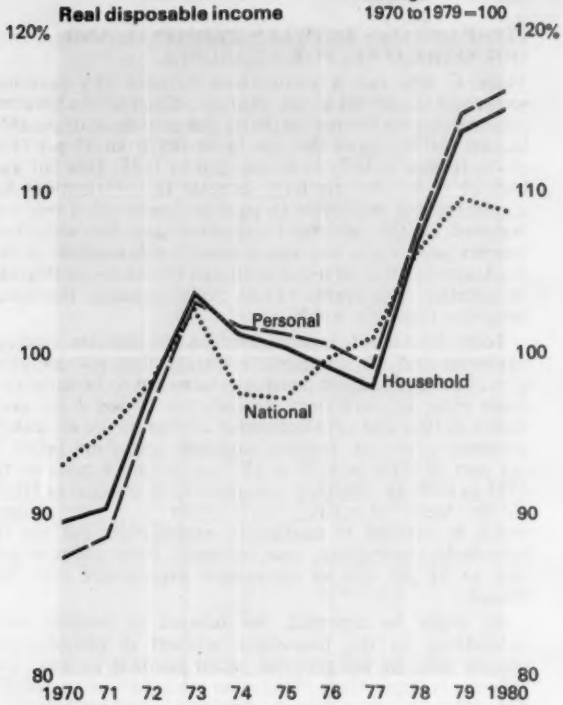
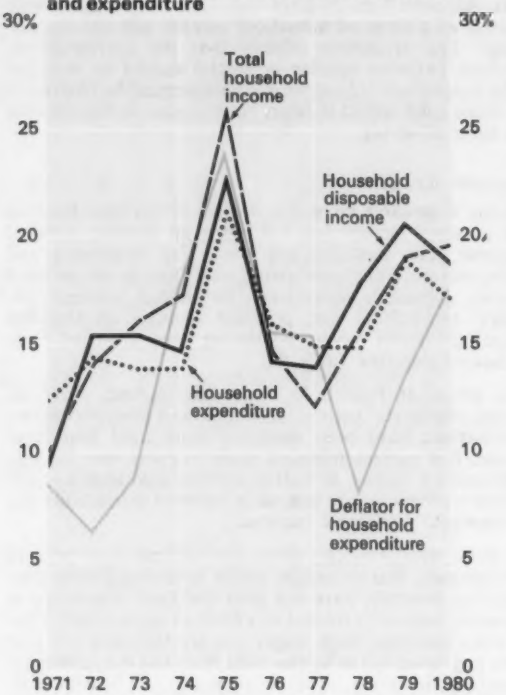


CHART B

Percentage changes in household income and expenditure



The deflator is the ratio of consumers' expenditure at current prices to consumers' expenditure revalued at 1975 prices. Its movements are broadly similar to those of the general index of retail prices. To calculate real household disposable income (RHDI), the consumers' expenditure deflator has been modified to form a deflator appropriate to household expenditure including interest paid and life assurance premiums.

The movements of RPDI and RHDI are illustrated in Chart A which shows real national disposable income (RNDI) for comparison. The 1970s were characterised by three main periods. In 1971 to 1973 and in 1977 to 1979 RHDI and RPDI rose sharply at a rate of 7 or 8 per cent per year. But between 1973 and 1977 both measures declined by about one per cent in each successive year. On the other hand RNDI rose more gradually to a peak in 1973, suffered a sharp fall in 1974 and grew by 3 per cent a year between 1975 and 1979.

The results also show that since 1974 the movements of real personal disposable income have been very much the same as those of real household disposable income. This suggests that, despite differences in coverage, the former provides a reasonably reliable guide to movements in the latter.

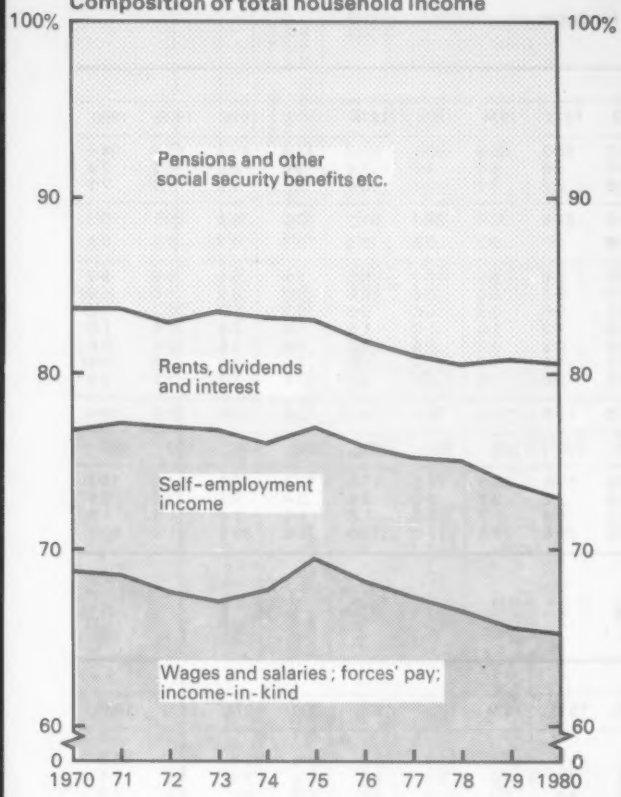
Real disposable incomes and changes in nominal income and expenditure

TABLE D

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Real disposable income											
(average 1970 to 1979 = 100)											
National	93	95	98	103	97	97	100	101	106	109	109
Personal	87	89	96	103	102	101	100	99	107	115	116
Household	89	90	98	104	101	100	99	98	107	114	115
Household account											
Percentage change over previous year											
Wages and salaries		*9·6*	*12·4*	*15·2*	*18·3*	*29·3*	*12·3*	*10·8*	*14·3*	*17·2*	*19·0*
Total household income		*9·9*	*14·0*	*16·0*	*17·2*	*25·8*	*14·5*	*12·0*	*15·7*	*19·0*	*19·5*
Household disposable income		*9·4*	*15·3*	*15·3*	*14·7*	*22·7*	*14·1*	*13·8*	*17·8*	*20·5*	*18·8*
Household expenditure		*12·3*	*14·3*	*13·8*	*13·8*	*21·1*	*15·8*	*14·9*	*14·8*	*18·9*	*17·1*
Deflator for household expenditure		*8·4*	*6·2*	*8·9*	*17·6*	*23·8*	*15·5*	*15·3*	*8·0*	*13·2*	*17·4*

CHART C

Composition of total household income



TRENDS IN HOUSEHOLD INCOME AND EXPENDITURE

Chart B illustrates the year-to-year percentage changes in household income and expenditure during the 1970s. After 1971 household disposable income increased by at least 13 per cent each year, with increases peaking at 22½ per cent in 1975 and at 20½ per cent in 1979. The chart shows that disposable income increased faster than total income in 1972 and in 1977, 78 and 79. Between 1973 and 1976 disposable income increased less quickly than total income with taxes on income increasing more rapidly than income itself. The gap between increases in household disposable income and increases in the household expenditure deflator reflects the extent to which real household disposable income is rising or falling. It rose rapidly in 1972–73 and 78–79 but fell in each of the years 74 to 77, movements which are also apparent from Chart A.

Trends in the components of household income and expenditure are shown in Table E and illustrated in Charts C, D and E. The main features are described below.

Components of household income

In 1970, cash wages and salaries (including forces' pay) accounted for 68 per cent of total household income (THI). The proportion fell to 66 per cent in 1973 (when the share of income from self-employment peaked) but rose to nearly 69 per cent in 1975 when wages and salaries increased by 29 per cent over the previous year. Thereafter the proportion declined to 64½ per cent in 1980.

On the other hand social security benefits as a whole increased from 9 per cent in 1970 to 11½ per cent of THI in 1980. One percentage point can be put down to the change in child benefit and corresponding tax allowances which took place in the second half of the decade.

CHART D

Deductions from total household income

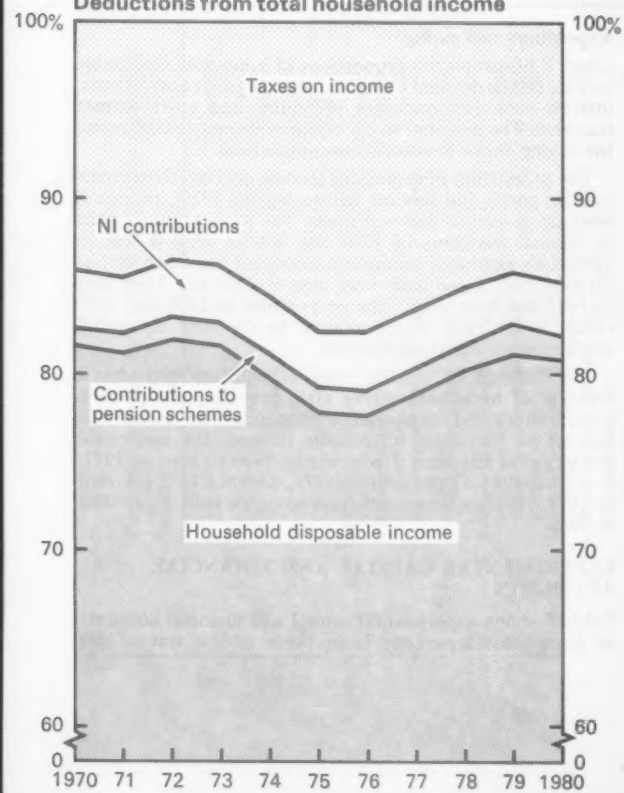
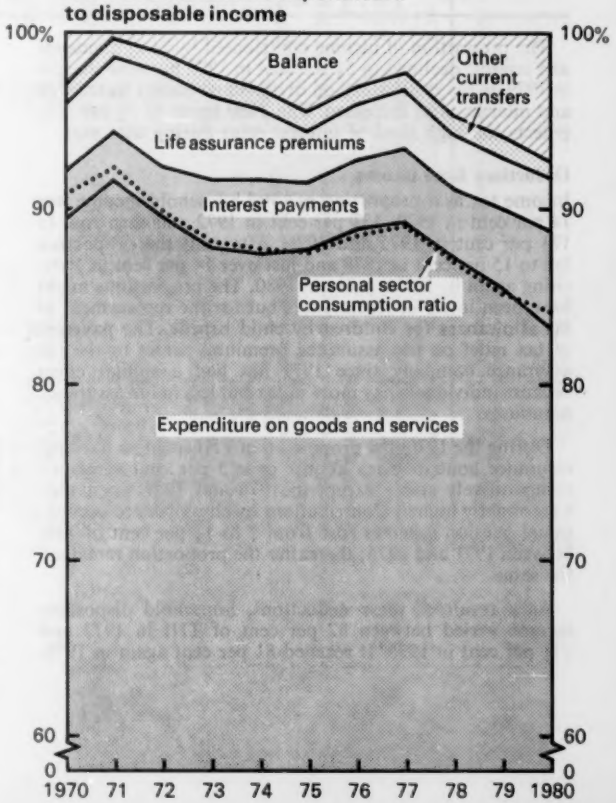


CHART E

Ratios of household expenditure to disposable income



Components of and deductions from total household income

TABLE E(i)

	Percentages										
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Wages and salaries; forces' pay	67·9	67·7	66·7	66·2	66·8	68·7	67·3	66·6	65·8	64·7	64·5
Self-employment income	8·0	8·7	9·5	9·8	8·4	7·6	7·8	8·0	8·6	8·3	7·6
Rent, dividends and interest	7·0	6·5	5·8	6·7	7·2	6·1	6·0	5·7	5·4	7·0	7·7
Total	82·9	82·9	82·0	82·8	82·4	82·4	81·1	80·3	79·8	80·1	79·8
Income in kind	0·8	0·8	0·8	0·7	0·7	0·8	0·8	0·7	0·7	0·8	0·8
Pensions and other LASS[1] benefits	5·5	5·4	5·7	5·6	5·5	5·2	5·5	5·6	5·6	5·6	5·7
State pensions	4·9	4·9	5·3	5·2	5·6	5·6	6·0	6·3	6·2	6·0	(5·9)
Family allowance and child benefits	0·9	0·8	0·7	0·6	0·5	0·6	0·6	0·7	1·2	1·7	1·6
Supplementary benefit	1·3	1·4	1·4	1·2	1·3	1·3	1·5	1·6	1·6	1·4	1·5
Unemployment benefit	0·4	0·5	0·5	0·3	0·3	0·5	0·6	0·6	0·5	0·4	0·6
Other social security benefits	1·8	1·6	1·7	1·6	1·7	1·7	1·9	2·0	2·0	1·9	(1·9)
Other current transfers	1·7	1·7	2·0	2·0	1·9	2·0	2·1	2·2	2·2	2·1	2·2
Total	16·3	16·3	17·2	16·5	16·8	16·9	18·1	19·0	19·5	19·2	19·4
Total household income	100	100	100	100	100	100	100	100	100	100	100
Taxes on income	14·2	14·6	13·5	13·9	15·6	17·5	17·5	16·3	15·1	14·2	14·7
NI contributions	3·2	3·1	3·2	3·2	3·2	3·2	3·4	3·4	3·1	3·0	3·1
Contributions to pension schemes	1·1	1·1	1·2	1·4	1·3	1·5	1·5	1·5	1·5	1·6	1·5
Household disposable income	81·6	81·2	82·0	81·6	79·8	77·9	77·5	78·8	80·2	81·2	80·7

[1] Life assurance and superannuation schemes.

Ratios of household expenditure to disposable income

TABLE E(ii)

	Percentages										
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Ratios of household expenditure to disposable income											
Expenditure on goods and services	89·4	91·6	89·5	87·8	87·4	87·7	88·8	89·3	87·3	85·5	83·3
Interest payments	2·7	2·8	2·9	3·8	4·2	3·8	4·0	4·2	3·8	4·5	5·5
Life assurance premiums	3·8	4·1	5·3	4·8	3·9	2·9	3·1	3·2	3·1	2·9	2·9
Other current transfers	1·2	1·1	1·1	1·2	1·2	1·1	1·0	1·1	1·2	1·2	1·1
Total	97·1	99·7	98·8	97·6	96·8	95·5	96·9	97·8	95·3	94·1	92·7

The proportion of income contributed by rent, dividends and interest declined to 5½ per cent in 1978 but rose sharply in 1979 as the restrictions on dividend payments were lifted and interest rates increased. The 1980 figure of 7½ per cent reflects the high level of interest rates during that year.

Deductions from income

Income tax as a proportion of total household income was 14 per cent in 1970, 13½ per cent in 1972 and then rose to 17½ per cent in 1975 and 1976. After this the proportion fell to 15 per cent in 1978 and just over 14 per cent in 1979, rising again by half a point in 1980. The proportions might have been lower in recent years but for the replacement of tax allowances for children by child benefit. The payment of tax relief on life assurance premiums direct to the life assurance company since 1979 has had a similar effect because individuals pay more in tax but less in life assurance premiums.

During the 1970s the proportion of THI spent on national insurance contributions at just over 3 per cent remained comparatively stable except in 1976 and 1977 when they were slightly higher. Contributions by employees to occupational pension schemes rose from 1 to 1½ per cent of THI between 1971 and 1975; thereafter the proportion remained the same.

As a result of these deductions, household disposable income varied between 82 per cent of THI in 1972 and 77½ per cent in 1976. It reached 81 per cent again in 1979.

Expenditure and saving

Chart E illustrates the proportions of household disposable income (HDI) devoted to expenditure on goods and services, interest paid, life assurance premiums and other current transfers. The personal sector consumption ratio (100 *minus* the saving ratio) is shown for comparison.

The proportion of disposable income devoted to expenditure on goods and services fell during the 1970s, though it went up as well as down at times. The proportion devoted to interest payments in 1980 was double what it was in 1970. Life assurance premiums accounted for 4 per cent of HDI in 1970, more than 5 per cent in 1972 and 3 per cent in 1975 and later years. The proportions in 1979 and 1980 reflect lower cash payments due to the new tax relief arrangements mentioned above.

The balance of income over expenditure provides a measure of household saving after providing for pension contributions and life assurance premiums. The ratio of this balance to household disposable income, the household saving ratio, fell from 3 per cent in 1970 to zero in 1971. It increased to 4½ per cent in 1975, declined to 2 per cent in 1977 but then increased again to more than 7 per cent in 1980.

EXPERIMENTAL CAPITAL AND FINANCIAL ACCOUNTS

Table F shows experimental capital and financial accounts of households separately from those of the rest of the

Personal sector capital and financial accounts

TABLE F

£ million

	1976		1977		1978		1979		1980			
	House-holds	Other	House-holds	Other	House-holds	Other	House-holds	Other	House-holds	Life assur-ance etc.	Unincorp-orated businesses	Private non-profit bodies
Capital account												
Saving[1]	2,501	7,379	2,027	8,332	5,003	9,811	7,477	12,658	11,503	11,113	2,519	283
Capital transfers (net receipts)	−525	468	−521	603	−437	733	−478	653	−401	—	—	703
Gross domestic fixed capital formation	−2,595	−861	−2,683	−1,589	−3,712	−1,486	−4,207	−1,923	−4,814	—	−1,304	−947
Increase in value of stocks and work in progress	—	−779	—	−948	—	−689	—	−1,154	—	—	−355	—
Financial surplus or deficit	−619	6,207	−1,177	6,398	854	8,369	2,792	10,234	6,288	11,113	860	39
Financial transactions account												
Notes and coin	288	—	487	—	597	—	532	—	356	—	—	—
British Government securities	1,642	—	721	—	258	—	2,314	—	2,345	—	—	—
National savings	592	—	1,290	—	1,525	—	1,063	—	1,378	—	—	—
Tax instruments	1	—	7	—	15	—	29	—	−3	—	—	—
Northern Ireland central government debt	−3	—	18	—	23	—	−1	—	−4	—	—	—
Public corporations debt	−14	—	−7	—	−6	—	−8	—	−9		—	—
Local authority debt												
Temporary	70	—	−341	—	−144	—	313	—	−5	—	—	—
Longer term	174	—	322	—	−4	—	−200	—	−119	—	—	—
Deposits with banking sector	830	491	−241	803	2,247	991	5,015	1,347	5,466	—	1,164	—
Deposits with building societies	3,301	—	5,932	—	4,855	−6	5,816	17	7,177	—	—	−2
Deposits with other financial institutions	234	—	577	—	592	—	945	—	780	—	—	—
Bank lending	−276	−243	−417	−747	−923	−674	−1,099	−1,530	−1,248	—	−1,851	—
Credit extended by retailers	−141	—	−125	—	−191	—	−250	—	−74	—	—	—
Identified trade credit	−344	—	−150	—	−214	—	−674	—	126	—	—	—
Loans for house purchase:												
Building societies	−3,618	—	−4,100	—	−5,116	4	−5,276	7	−5,711	—	—	−4
Other	−59	−152	−119	−57	−348	27	−1,098	−70	−1,393	—	—	−177
Other public sector lending	−9	—	1	—	1	—	3	—	4	—	—	—
Other lending by financial institutions	−63	−23	−202	−24	−332	−41	−476	−29	−371	—	−20	—
Unit trust units	79	—	25	—	117	—	−35	—	−8	—	—	—
UK company securities	−1,358	—	−1,493	—	−1,503	—	−1,971	—	−1,630	—	—	—
Overseas securities	−203	—	−408	—	273	—	176	—	35	—	—	—
Life assurance and superannuation schemes	—	5,576	—	6,423	—	7,798	—	10,008	—	11,113	—	—
Miscellaneous domestic instruments	9	−6	−14	86	38	−70	−137	100	28	—	−17	—
Households' equity in unincorporated businesses	−319	319	250	−250	−207	207	−403	403	−1,526	—	1,526	—
Accruals adjustment	65	21	48	4	104	−25	213	−204	259	—	58	—
Total financial transactions	878	5,983	2,061	6,238	1,657	8,211	4,791	10,049	5,853	11,113	860	−183
Unidentified transactions	−1,497	224	−3,238	160	−803	158	−1,999	185	435	—	—	222
Financial surplus or deficit	−619	6,207	−1,177	6,398	854	8,369	2,792	10,234	6,288	11,113	860	39

Note: Acquisition of assets or reduction in liabilities is shown positive: sale of assets or increase in liabilities negative.

[1] Before additions to tax reserves.

personal sector. For the latest year only – 1980 – separate accounts are shown for unincorporated businesses, private non-profit-making bodies and life assurance and superannuation schemes.

It is a simple matter to separate the life assurance and superannuation schemes sub-sector from the rest of the personal sector since the surplus on the revenue account is considered to be the collective property of the policy holders and scheme members and is shown as a single financial asset of the personal sector. The entry represents the increase in claims by persons on the financial institutions sector in the case of funded schemes, and on central government in the case of notionally funded schemes. The uses to which these funds are put by the financial institutions concerned are already shown separately in Table 13.2 of the Blue Book and Tables 8.13 and 8.14 of *Financial Statistics*. The main difficulties arise in separating the capital and financial transactions of unincorporated businesses and non-profit-making bodies from those of households.

The capital account

Receipts on the capital account of households are the saving and additions to tax reserves from the income and expenditure account (Table B), together with net capital transfers. Net capital transfers for households are negative: payments exceed receipts. Payments are mainly taxes on capital paid to central government.

Estimates of the gross domestic fixed capital formation (GDFCF) of households and other parts of the personal sector are based on assumptions about their purchases of certain types of fixed assets. The only capital formation undertaken by households is on dwellings. (Expenditure on durable goods, including vehicles, is regarded as current and already included in the income and expenditure account.) Most personal sector GDFCF in vehicles, plant and machinery, and new buildings other than dwellings is undertaken by unincorporated businesses, which are also assumed to be responsible for all stock-building.

The financial account

The difference between personal saving and net capital transfer receipts on the one hand and expenditure on physical assets on the other leads to the financial surplus or deficit of the personal sector. This surplus or deficit can also be estimated from details of transactions in the various forms of financial assets and liabilities in which households, for example, may choose to hold their unspent income or to raise additional funds. In this way, the financial and capital accounts provide an independent check on the estimate of household saving derived through the current account. The difference between unidentified transactions on the financial account and the financial surplus or deficit from the current and capital account is shown as 'unidentified transactions'.

There is no information obtained directly from households or the rest of the personal sector on their financial transactions. Surveys of households' transactions are not reliable, one difficulty being the need to include a relatively large number of households in the higher income groups, where response to voluntary surveys is usually low. Estimates of the financial transactions of the personal sector as a whole are therefore based on information provided by other sectors. Often these are obtained by subtraction, with the transactions of other sectors estimated directly and the remainder allocated to the personal sector. However, some of the financial institutions do provide information on transactions with particular sub-sectors of the personal sector. For example, the banks provide information on their transactions with households (including individual trusts) on the one hand and unincorporated businesses and private non-profit-making bodies on the other.

There is some information on private non-profit-making bodies' borrowing for house purchase. Local authorities, certain public corporations and building societies separately identify loans to housing associations. Building societies also provide data on deposits made by private non-profit-making bodies. A survey including information on the holdings of financial assets by private non-profit-making bodies was carried out in respect of 1969 and 1970.‡ This gave one year's (1970) data on transactions in physical and financial assets. It has not been possible to repeat this work.

Again, only some of the transactions of unincorporated businesses with other sectors can be separated from those of the rest of the personal sector. The figures for their transactions with banks include the transactions of private non-profit-making bodies. Some data are available for transactions with other financial institutions, but generally these relate to transactions between one group of institutions and one particular type of unincorporated business.

One new item is needed in the financial accounts to represent changes in the equity of households in unincorporated businesses – money put into or taken out of the business as capital. Because its value cannot be identified independently it is the residual item in the financial accounts of unincorporated businesses. Errors and omissions in the unincorporated businesses accounts are therefore included here rather than as unidentified transactions.

For the reasons explained in the preceding paragraphs the estimates of financial transactions of households shown in Table F therefore include a substantial number of transactions of the personal sector as a whole which cannot be split between households and the rest of the personal sector.

The results

The picture which emerges from the capital account is that households had a small financial deficit in 1976 which became a large surplus in 1980 when saving was higher. This is broadly confirmed by the information available on financial transactions, although the swing is not so great and starts from a small surplus.

The main feature of the household financial account is the big increase in the flow of funds from households into bank deposits. Net deposits with building societies increased sharply in 1977, when interest rates were falling; by 1980 they were more than double the 1976 level. The net annual inflow to national savings also doubled in the same period. On the other hand, holdings of UK company securities were steadily reduced.

Loans to households for house purchase (*less* repayments) continued to increase but the proportion lent by building societies dropped from well over 95 per cent to only 78 per cent in 1980; the proportions lent by banks and by local authorities (mainly associated with council house sales) both increased sharply. Households also substantially increased their net borrowing from banks for other purposes during this period.

‡ See *Economic Trends*, May 1975 and June 1975.

CONCLUSIONS

The article has presented statistics likely to be more appropriate than the national accounts statistics for the whole of the personal sector in looking at the income, spending and saving of households.

The results show the contrast between the decline in real household disposable income in the mid-1970s and the steep rises between 1971 and 1973 and between 1977 and 1979. The rise between 1979 and 1980 was smaller than in the two previous years. On average during the 1970s real household disposable income grew at a faster rate than real national disposable income.

The results also show how the proportions of household income of different kinds have varied, and how the amount deducted in taxes, etc. has changed.

The proportion of disposable income spent on goods and services fell during the 1970s, while the share taken by interest payments doubled. The proportion of disposable household income which was saved varied considerably, but was higher at the end of the 1970s than at the beginning. Between 1976 and 1980 there was a big increase in the flow of funds from households into bank deposits. In addition the flow into building societies and national savings doubled, but holdings of UK company securities were steadily reduced. In 1979 and 1980 banks and local authorities both increased their share of lending for house purchase. In the last few years there has been a large surplus on the capital account for households.

APPENDIX 1

Income, disposable income, expenditure and saving — comparison of personal sector definitions and household sector treatment

Item	Personal sector definition	Household sector treatment
DISPOSABLE INCOME (= income *less* deductions from income)		
Income		
1. Income from employment		
(*a*) Wages and salaries; forces' pay	Includes directors' fees and identified income-in-kind.	Coverage the same as personal sector but income-in-kind is separately identified. Although income-in-kind is not 'disposable' in the same sense as cash most households probably perceive it as a form of income.
(*b*) Employers' contributions	Contributions of employers to national insurance, health, etc. funds and to private pension funds are treated as part of the reward for employment. Redundancy payments by employers to employees are also included.	Since these contributions are usually made directly to the funds involved without the employee necessarily being aware of the transactions or their value they are excluded from household employment income. Redundancy payments by employers to employees are, however, included in pensions etc. (see item 4 below).
2. Income from self-employment	Essentially the gross trading profits of unincorporated businesses, this income is entered before deducting stock appreciation, capital consumption and interest payments.	Ideally household income might be defined as the withdrawals of money from the business for personal use. In practice it is not possible to measure this value. Instead a notional value is obtained by deducting from the personal sector estimate, stock appreciation, capital consumption and interest payments. These are the costs which might be deemed necessary to maintain the state of the business.
3. Rent, dividends and interest	Includes imputed rent of owner-occupied dwellings: the owner-occupiers are deemed to be operating a business for the purpose of providing themselves with housing. Thus national income is not affected by any changes in the proportions of dwellings owner-occupied and rented.	Imputed rent is excluded because it would not normally feature in households' perception of their income.
	Interest receipts are measured net of payments. This treatment is more a reflection of past data availability than of a conceptual ideal. Accrued interest on national savings schemes etc. is included.	Interest receipts are entered gross. Receipts of LASS and NPBSP are excluded but those of the self-employed are included. It might be argued that part or all of interest received by the self-employed belongs to the business. However as the whole of the measurable expenses of the business have been deducted from self-employment income, the interest receipts are deemed to be available for disposal by the household. Accrued interest, which is a form of saving, is retained.
4. Pensions and other benefits paid by LASS	Since LASS are part of the personal sector, transfers to households are not included in personal incomes.	Private pensions (and employers' redundancy payments to employees) are treated as household income. It is more difficult to determine the appropriate treatment of other benefits of life assurance, annuities, etc. As there are no reliable figures available for each type of benefit, they are all treated in the same way as pensions (see text).
5. National insurance benefits and other government social security benefits		Coverage the same as for the personal sector.
6. Other current grants from general government ..	Includes grants to universities and other NPBSP. Combined with item 5 in Table A.	Only grants directly to households included (included in item 7 'other current transfers').
7. Other current transfers	Transfers from companies to NPBSP. Transfers between sub-sectors of the personal sector excluded.	Transfers from companies to NPBSP excluded; transfers from NPBSP to households included, together with transfers from abroad (see item 11) and item 6 above.

APPENDIX 1 (*continued*)

Item	Personal sector definition	Household sector treatment
DISPOSABLE INCOME (= income *less* deductions from income)		
8. Imputed charge for capital consumption of NPBSP	Included with item 7 in Table A.	Excluded.
Deductions from income		
9. Taxes on income[1]	Includes taxes on investment income of LASS. Additions to tax reserves, which are included in Blue Book Table 4.1, are not however deducted to obtain personal disposable income in the footnote to that table or in Table A of this article.	Excludes taxes on investment income of LASS. Taxes payable (i.e. payments *plus* net additions to tax reserves) on profits made by unincorporated businesses are included; this is compatible with the allocation of the major part of self-employment income to households (see 2 above).
10. Contributions to national insurance etc. funds ..	Employers' and employees' contributions deducted.	Since employers' contributions are not included in household income, only employees' contributions are deducted.
11. Net transfers abroad	Net figure only shown. Implicitly receipts are recorded as income and payments as deductions from income.	Not treated as a deduction from income. Receipts are included as income (part of 'other current transfers' item 7) and payments as expenditure (see item 16).
12. Employees' contributions to private pension schemes	Intra-personal sector transaction – no entry.	Deducted from income in the same way as employees' national insurance contributions.
EXPENDITURE		
13. Consumers' expenditure	Includes imputed rent of owner-occupied dwellings, administrative costs of LASS and the following transactions of NPBSP: Salaries and wages Expenditure on goods and services Imputed charge for capital consumption. Payments by households to NPBSP, whether in return for goods and services or not, are excluded.	Equivalent item is 'Expenditure on goods and services'. Imputed rent and the LASS and NPBSP transactions specified alongside are excluded. But included are those payments by households to NPBSP which are in exchange for goods and services rather than unrequited transfers.
14. Interest payments	No entry. Since income from interest is recorded net of payments, interest payments are implicitly treated as a deduction from income (see item 3 above).	Interest (including mortgage interest) regarded as expenditure as perceived by households.
15. Life assurance premiums paid by individuals[1] ..	No entry. Administrative costs of LASS part of consumers' expenditure. Taxes on interest received by funds treated as a deduction from income.	Premiums regarded as perceived expenditure. (Corresponding benefits treated as income – see 4 above).
16. Other current transfers	No entry. Intra-personal sector transfers excluded. Transfers abroad recorded net of receipts and deducted from income (see 11 above).	In addition to transfers abroad, transfers to NPBSP which are not payments for goods and services supplied to the household are included in the household account.
SAVINGS	As the balance of personal sector income over expenditure the scope of this saving is wider than that perceived by households.	The balance of household income over expenditure, as defined above, differs from personal saving by the exclusion of the following: (*a*) stock appreciation and capital consumption of unincorporated businesses; (*b*) savings generated by LASS; (*c*) the net balances of NPBSP.

Abbreviations: NPBSP – non-profit-making bodies serving persons.
LASS – life assurance and superannuation schemes.

[1] Before April 1979 tax relief could be claimed by households paying life assurance premiums. Since then payments in respect of this relief have been made directly to the life assurance companies. Households may no longer claim relief but the premiums have been reduced by an equivalent amount. In the personal sector accounts the payments to the companies are regarded as a negative tax (apart from a small element of government grant in respect of non-taxpayers) consistent with previous years. In the household treatment however there is an increase in tax payable (item 9) and a corresponding reduction in expenditure on premiums (item 15).

APPENDIX 2

Household accounts: sources and methods

HOUSEHOLD INCOME AND EXPENDITURE

The household sector income and expenditure account has been derived from the personal sector account (Table 4.1 in the Blue Book) mainly by subtracting the income and expenditure relating to the other parts of the sector. These sub-sectors are unincorporated businesses, private non-profit-making bodies serving persons (NPBSP) and life assurance and superannuation schemes (LASS). A separate account has been constructed for each sub-sector including in the account transactions within the personal sector which are excluded from the accounts of the personal sector as a whole. The way in which the separate accounts fit together is shown for 1980 in Table G. The sources and methods for each sub-sector are described in turn below.

The main differences of treatment between the personal and household sector accounts have been set out in Appendix 1. One of the differences occurs in the treatment of interest receipts. The household account shows the payments of interest on the expenditure side of the account and shows rent, dividends and interest receipts on a gross basis. Figures for interest paid cover mortgage interest paid to building societies, local authorities, insurance companies, new towns and housing associations, for which information comes from the accounts of the relevant sector. Also included are bank interest paid by the personal sector and interest to hire purchase finance companies. Interest payments by unincorporated businesses and NPBSP are deducted from the total.

UNINCORPORATED BUSINESSES: INCOME AND EXPENDITURE ACCOUNT

Unincorporated businesses are the businesses of the self-employed – farmers, professional people, shopkeepers and other sole traders and partnerships. A complete separation of the transactions of unincorporated businesses from those of households would require the business transactions of the proprietors to be separated from their purely personal transactions, and for amounts which are withdrawn from the business for personal use to be identified.

In practice, it is not possible to make this split. It is possible, however, to make estimates of certain items, notably interest paid, depreciation and stock appreciation, which could be considered necessary to keep the business in its previous state. The amount contributing to household income is therefore taken as the self-employment income as recorded in the statistics of the personal sector less these three items. The interest payments are then entered as expenditure by the business, so that the saving implied is equal to the level of depreciation and stock appreciation.

Receipts of rent, dividends and interest by unincorporated businesses are included with households' receipts.

The figures for interest paid on the expenditure side of the account are for interest paid to banks and finance houses and come from the company sector accounts. The estimates of depreciation used are those of capital consumption at current replacement cost calculated by the perpetual inventory method described in Chapter XII of *Sources and Methods*[1]. The sector analyses of both the capital consumption and stock appreciation estimates are however not very reliable.

Household income from self-employment is thus obtained by subtraction. This and household saving are overstated to the extent that this method understates the business income which is retained in the business.

PRIVATE NON-PROFIT-MAKING BODIES: INCOME AND EXPENDITURE ACCOUNT

The accounts of private non-profit-making bodies serving persons were the subject of an article in *Economic Trends* in May 1975[2]. Annual accounts for the subsector were published in the Blue Book until 1979, but publication of separate accounts was discontinued from the 1980 Blue Book because of difficulties in producing reliable estimates. It was felt that the possible range of error in relation to the figures in the separate account for the subsector was too large for the table to be published. However, because the figures in the household account are much larger, the consequent range of error on these figures is comparatively small.

Good information on income and expenditure is available for universities[3], trades unions[4], friendly societies and housing associations[5], although in some cases it is only available after a year or more. Among other non-profit-making bodies (clubs, societies, etc.) which are not registered charities the Automobile Association is probably the largest and its accounts have also been used. Where necessary the figures have been extrapolated using appropriate indicators and an imputed charge has been made for capital consumption which has to be added in.

The treatment in this article of payments by households to non-profit-making bodies differs slightly from that set out in the 1975 article. The category formerly called 'current transfers from persons' has been split between 'pure' transfers, which are unrequited, and payments in exchange for goods and services. For the above bodies 'pure' transfers cover endowments to universities and a proportion of transfers to trades unions and friendly societies equivalent to the proportion of their expenditure on cash benefits to members. The second category includes tuition fees at universities, subscriptions to the Automobile Association and the proportion of transfers to trades unions and friendly societies corresponding to the proportion of their expenditure on administrative costs.

Charities, however, form the largest part of the sub-sector and information on their income and expenditure is minimal. For these, and other smaller bodies such as colleges at Oxford and Cambridge and clubs, the sources and methods are detailed below. Many of the figures are extrapolations from the results of the survey of charities carried out in respect of 1970 and described in the article mentioned above. A smaller scale survey was also carried out in respect of 1975.

Income

Rent, dividends and interest receipts

Rent receipts of charities are assumed to be a constant proportion of personal sector rent receipts, the proportion being based on the results of the surveys. Dividends and interest receipts are extrapolated using data on tax repayments on investment income, interest payments on government stocks, etc.

Allocation of personal sector income and expenditure 1980

TABLE G

£ million

	Total		Households		Unincorporated businesses		Private non-profit-making bodies		Life assurance and superannuation schemes		Exclusions	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
Income												
Income from employment:												
wages and salaries; forces' pay	119,580		119,580									
employers' contributions	17,503								9,135		8,368[2]	
Income from self-employment	18,394		13,860		18,394	13,860						
Rent, dividends and net interest	19,623		14,123	8,139		2,015	1,234	77	6,936		7,561[3]	
Current grants from general government	25,476		23,906				1,560		10			
Other income	409						409					
Expenditure												
Consumers' expenditure		135,403		123,194			1,921	4,898		1,671		7,561[3]
UK taxes and national insurance contributions		40,649		32,546					514	249		8,368[2]
Transfers abroad (net)		290	766	1,018			27	65				
Intra-sector transactions												
Pensions and benefits paid by life assurance and superannuation schemes			10,502							10,502		
Contributions to:												
pensions				2,720					2,720			
life assurance, etc.				4,220					4,220			
Other current transfers			392	564			564	392				
Balance (saving)		24,643		10,728		2,519		283		11,113		
TOTALS[1]	200,985		183,129		18,394		5,715		23,535		15,929	

[1] These column totals do not add across because of the rearrangement of items between income and expenditure and the exclusion of intra-sector transactions in the personal sector account.
[2] Employers' national insurance, etc. contributions.
[3] Imputed rent of owner-occupied dwellings.

Current transfers

Transfers from general government to all non-profit-making bodies are known from government accounts and similarly figures for transfers from companies are estimated from company sector accounts. Overseas transfers are extrapolated from the survey benchmarks.

Payments by households

'Pure' transfers include gifts under deeds of covenant, which are estimated from tax repayments, and since 1977, the proceeds from lotteries in aid of charitable causes, the figures for which are published by the Gaming Board[6]. Other charitable donations are estimated using data from the Family Expenditure Survey (FES) to extrapolate from a benchmark established in the 1975 survey. Gifts and endowments to Oxford and Cambridge colleges are extrapolated in line with the corresponding figures for all universities.

Expenditure on fees at schools with charitable status is included in the category representing payments in exchange for goods and services: the data is obtained from the FES. Other payments to charities are included here as representing expenditure at jumble sales and in charity shops, etc.; the extrapolation is again based on data from the FES. Subscriptions to clubs and societies are extrapolated in line with Automobile Association subscriptions for want of any better alternative.

These figures of payments by households to charities are probably subject to the largest margin of error in the accounts. They are estimated to account for some 30 per cent of the total income of NPBSP and so make the margin of error on the whole account very high.

Other income

The figures are extrapolated from the survey benchmarks. For charities it has been assumed that other income forms a constant proportion of income from other sources.

Capital consumption

This is calculated for non-profit-making bodies in total using the perpetual inventory method, as for all other sectors of the economy.

Expenditure

Wages and salaries

Wages and salaries in independent and direct grant schools are calculated using average salaries for teachers and staff numbers. For other bodies, figures up to 1976 were available from a detailed analysis of the Inland Revenue's 'Pay as You Earn' (PAYE) statistics. Projections have been made since then using the Department of Employment's index of average earnings for miscellaneous services.

Current transfers

Transfers to persons from charities are calculated as a constant proportion of total income. Overseas transfers are extrapolated from the benchmarks using figures published by the Overseas Development Administration for grants to developing countries by voluntary agencies[7].

Interest payments

These are extrapolated in the same way as for receipts of interest.

Balance

The balance is treated as a constant proportion of total income.

Goods and services

Expenditure on goods and services, which includes the imputed charge for capital consumption, is derived as the residual on the current account for charities.

LIFE ASSURANCE AND SUPERANNUATION SCHEMES: REVENUE ACCOUNT

A revenue account for life assurance and superannuation schemes is included each year in the Blue Book (Table 4.5 in the 1981 edition), and also as a supplementary table in the October issue of *Financial Statistics*. The latter table shows slightly more detail in respect of the latest year's account.

Pension schemes can be divided into three types: those which are funded, those which are notionally funded and those which are unfunded. *Funded schemes* are those schemes which hold investments to match their liability to pay benefits. They include schemes which operate primarily through insurance companies (insurance invested schemes), private self-administered schemes, local authority schemes (other than those for teachers, police and firemen) and most schemes for employees of nationalised industries and other public corporations. The figures shown for funded schemes cover all life assurance business since it is not possible to derive separate accounts for ordinary life business and for insured pension funds business.

Notionally funded schemes comprise certain pension schemes in the public sector (in respect of staff in the National Health Service, United Kingdom Atomic Energy Authority, Forestry Commission and teachers), which are contributory but not funded. Any excess of contributions over pensions paid in a period is transferred to the Exchequer and in exchange the Government agrees to underwrite any future deficiencies.

Unfunded schemes are schemes where no assets are held and employers' contributions, in the national accounts, are regarded as being equal to pensions paid less any employees' contributions, which are generally minimal in relation to benefits paid. Schemes which are unfunded include the Civil Service pension scheme, the arrangements for HM Forces, schemes for police and firemen and some minor schemes. Also included are employers' liability insurance claims, by injured employees or their dependants, and some redundancy payments made by employers.

Funded schemes: data sources

Several sources of information are drawn on for private sector schemes. The Government Actuary's Department carry out a quadrennial survey of occupational pension schemes, the last being carried out in respect of 1979[8]. The survey is comprehensive and the results are used as benchmarks in the revenue account. For years up to 1977 information was available from an analysis of statutory returns made to the Department of Trade. The return covered the UK business of Life Offices, including both UK and overseas companies. Further information is given in an annual booklet produced by the Life Offices' Association[9]. Data on the income and expenditure of industrial assurance companies and collecting societies are published by the Registry of Friendly Societies[5].

Although it is not possible to separate ordinary life business from insured pension funds business for receipts of rent, dividends and interest, or for pensions and benefits paid, it has been possible, using the above data sources, to estimate the split between contributions paid by employees to pension schemes and premiums paid by individuals to life policies. This separation is made for the first time in the 1981 Blue Book and enables the contributions of employees to occupational pension schemes to be shown as a deduction in arriving at household disposable income, whereas life assurance premiums are shown as an item of expenditure in the household account.

The figures shown for premiums to life policies include tax relief paid by central government to insurance companies under the premium relief by deduction scheme. Under this scheme, which began on 6 April 1979, the Inland Revenue makes payments to life insurance companies (including industrial assurance companies and other friendly societies) in respect of tax relief on premiums received from individuals (net of relief) for policies qualifying under the scheme. Previously tax relief on all schemes had to be claimed back by the taxpayer; the introduction of the new scheme enabled insurance companies to reduce their premiums by an amount equal to the tax relief lost by the taxpayers. Data are obtained from the Inland Revenue.

Local authority figures are available from a return now made to the Department of the Environment and the Welsh Office by local authorities. Previously returns were made to the CSO itself. Corresponding information in respect of authorities in Scotland and Northern Ireland is obtained from the Scottish Office and the Northern Ireland Local Government Officers' Superannuation Committee.

Other funded public sector pension schemes are covered by an annual income and expenditure return sent out by the CSO. Response is estimated to be about 75 per cent weighted by value.

The figures include some receipts classified as transfers from notionally funded schemes. These represent payments from central government to the Post Office and Civil Aviation Authority Superannuation funds in respect of pension liabilities taken over from central government.

Rent, dividends and interest receipts are shown before payment of tax on investment income, which is included in administrative costs, etc.

Notionally funded and unfunded schemes: data sources

Data for the notionally funded schemes and the main unfunded schemes, those for Civil Service staff and HM Forces, come from central government accounts including the accounts for Northern Ireland. Information on the schemes for police and firemen has been obtained from the responsible departments or authorities.

An allowance is made for benefits paid out by other public sector and private sector employers which are not funded or insured. Examples of such payments are *ex gratia* payments to employees or dependants; there is thought to be no major unfunded scheme outside the government sector. Data on these benefits come from the periodic surveys of labour costs carried out by the Department of Employment. Employers' liability insurance claims, for which data are obtained from the British Insurance Association, are also added in.

Redundancy payments by employers are also included as payments from unfunded schemes. The figures of benefits paid include both statutory payments and voluntary payments by employers but are net of the rebates received by employers from the Redundancy Fund. (The rebates are incorporated in the figures for government grants to the personal sector.) Also excluded are redundancy payments which are included on PAYE tax deduction documents; those are included in wages and salaries. Data on the statutory payments are available from the Department of Employment quarterly; information on the voluntary payments comes from the labour costs surveys.

As stated earlier, employers' contributions to unfunded schemes are regarded as being equal to pensions and benefits paid *less* employees' contributions.

CAPITAL ACCOUNT

The capital accounts for households and the rest of the personal sector are derived from Table 4.2 in the Blue Book, which shows the capital account for the personal sector as a whole. The sources and methods used to make the split are as follows:

Saving

The figures are the balances on the income and expenditure accounts for each sub-sector (see previous section). In the case of households *additions to tax reserves* have been added back (they were deducted together with tax payments from total household income).

Capital transfers (net)

Capital transfers from central government to certain non-profit-making bodies (universities, colleges, etc. and housing associations) are identifiable from Table 7.3 in the Blue Book. All other capital transfers are assumed to be to households, although some of them are grants to farmers for drainage and farm improvements which should be allocated to unincorporated businesses but are not separately identifiable. Taxes on capital and capital transfers to public corporations are classified as household expenditure and deducted from this item.

Gross domestic fixed capital formation (GDFCF)

There are three elements of GDFCF to be divided between households, unincorporated businesses and non-profit-making bodies; these are new dwellings, purchases *less* sales of land and existing buildings, and all other assets. Estimates of expenditure by housing associations are used to divide expenditure on new dwellings between them and households. Net expenditure by households on land and existing buildings is estimated by assuming they account for 70 per cent of estimated transfer costs and adding the value of dwellings sold to households by local authorities. Expenditure on this item by non-profit-making bodies is taken to be the expenditure on buildings and development by housing associations *less* the expenditure on new dwellings already calculated, plus 2 per cent of transfer costs. The remainder, which is negative and includes sales of land by farmers, is allocated to unincorporated businesses. Expenditure on all other assets is mostly by unincorporated businesses; GDFCF by universities, colleges, etc., given in Table 10.8 of the Blue Book, is the amount classified to non-profit-making bodies.

Increase in value of stocks and work-in-progress

All personal sector stock-building is allocated to unincorporated businesses.

FINANCIAL ACCOUNT

Deposits with banking sector; bank lending

From 1976, the transactions of households, persons and individual trusts with the banking sector can be separated from those of the rest of the personal sector. (See *Financial Statistics* Table 6.1.) It is not possible to separate the transactions with banks of unincorporated businesses from

those of private non-profit-making bodies and so the estimates (shown in Table F) for 1980 of unincorporated businesses' deposits with and borrowing from banks include the transactions of private non-profit-making bodies.

Deposits with building societies; loans for house purchase

Information supplied by building societies includes deposits made by charities and other private non-profit-making bodies, and loans to housing associations under the 1964 Housing Act. Local authorities and certain public corporations provide information on loans to housing associations. The amounts shown in Table F are net of payments by housing associations to local authorities and these public corporations of grants received by the associations from central government. It is common for housing associations to apply for a housing association grant to subsidise their schemes. This grant is only payable on completion of the scheme so the association first borrows the cost of the scheme (and capitalised interest) from, for example, the local authority. When the grant is received from central government, the association pays it to the local authority to reduce its debt. The housing association is left to repay the remaining debt in instalments. The grants from central government to the housing associations are treated as capital receipts in Table F.

Other lending by financial institutions

Lending by certain financial institutions to unincorporated businesses (mainly agricultural) are separately identified on returns from these institutions.

Miscellaneous domestic instruments

Insurance companies' (general and long-term) and pension funds' balances with brokers (i.e. unincorporated businesses) are separately identifiable from returns supplied by those institutions.

Households' equity in unincorporated businesses

This is obtained as a residual on the unincorporated businesses' account.

Accruals adjustment

The personal sector accruals adjustment has many components. Building society interest accrued but not credited or paid out is attributed to households, the remaining accruals adjustment (including PAYE, VAT, national insurance payments and surcharge accruals) are attributed to unincorporated businesses.

References

1 National Accounts Statistics: Sources and Methods, HMSO 1968.

2 Private non-profit-making bodies serving persons, *Economic Trends* No. 259, May 1975, (HMSO).

3 University Grants Committee – *Statistics of Education: Volume 6 Universities*, HMSO (annual).

4 Certification Office for Trade Unions and Employers' Association – *Annual Report of the Certification Officer* (formerly included in [5] below) (annual).

5 Registry of Friendly Societies – *Report of the Chief Registrar*, HMSO (annual).

6 Home Office – *Report of the Gaming Board for Great Britain*, HMSO (annual) (1980 report published as H.C. 262 1980–81).

7 Overseas Development Administration – *British Aid Statistics*, HMSO (annual).

8 *Occupational Pension Schemes 1979 Sixth survey by the Government Actuary*, HMSO 1981.

9 *Life assurance in the United Kingdom*. The Life Offices' Association, etc. (annual).

10 See [5] above.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings	5,40	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	5,48	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
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Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
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Dividends, interest and current transfer payments	60		
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Earnings (average)	5,40	Department of Employment	Monthly Digest of Statistics Employment Gazette
Effective exchange rate of sterling	50	HM Treasury	Financial Statistics
Electricity (see also Fuel and power)	24,26		
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics Employment Gazette
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Gross trading profits of companies (see Companies)	60		
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics; British business; Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Housing			
Average price of new dwellings mortgages approved	20	Department of the Environment; Building Societies Association	Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16,20		
Orders received by contractors for new houses	20	Department of the Environment	Monthly Digest of Statistics
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Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Price competitiveness	46	Central Statistical Office	Not published elsewhere
Incomes		Central Statistical Office	Monthly Digest of Statistics
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